



High society
loses its appeal
for self-made men



Why Japanese
women adore their
sumo sex symbols

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New Serb atrocities are claimed by Allies

Moscow denies Russia will intervene in Balkans despite Yeltsin outburst

By Alexander Nicoll in London,
Guy Diamond in Belgrade and
Neil Buckley in Brussels

Nato efforts to attack Serbian forces in Kosovo were hampered by poor weather yesterday as the alliance claimed new evidence of atrocities against Albanian Kosovars in the Serbian province.

Nato said it had destroyed military vehicles and a surface-to-air missile site on Thursday. But Air Commodore David Wilby, a Nato spokesman, added: "The weather has turned against us."

The continuing attacks provoked an outburst from Boris Yeltsin, the Russian president. "I told Nato, the Americans, the Germans - don't push us towards military action, otherwise there will be a European war for sure and possibly world war," he said on television. However, an assertion by the

speaker of the Duma, Russia's parliament, that Mr Yeltsin had ordered nuclear missiles to be targeted at Nato countries was denied by the Kremlin.

A White House spokesman said in Washington: "We've been officially assured at a high level that Russia will not be drawn into the conflict in the Balkans."

Low cloud during the first two weeks of the conflict, now in its third week, prevented Nato aircraft from targeting Serbian units responsible for hounding Albanian Kosovars from their homes.

Yesterday, as the weather cleared in again, General Sir Charles Guthrie, Britain's chief of defence staff, said the UK had reliable reports that 35 people had been killed in Lybenci.

"In another incident, four lorry loads of bodies have been buried and a fifth load burnt," he said. "These are

scenes which we hoped we would never again witness in Europe."

In Belgrade, Spyros Kyprianou, speaker of the Cyprus parliament, failed in a mission to secure the release of three captured US soldiers. He blamed Nato's continuing air strikes.

The alliance, which had denied causing damage to a residential area in Pristina, the Kosovo capital, admitted one of three bombs aimed at the central telephone exchange had fallen 200 to 300 metres off target.

It corrected an earlier statement that Yugoslav radio and television facilities could be targets, saying transmitters would be attacked only if part of military communications.

An air raid inflicted severe damage on Serbia's Zastava car plant, wounding more than 100 workers who had stayed as "human shields" to protect the state-owned

complex. Milan Beko, director of Zastava, said six missiles or bombs had destroyed a power plant, the truck assembly line, the car paint shop and part of the car production line. A separate part of the complex, which he said produced hunting rifles and pistols, was also hit. Nato said it had intelligence that part of the plant was making military equipment.

In spite of this week's Serbian declaration of a ceasefire in Kosovo, Nato said there was no sign of any withdrawal of Serbian forces.

And some signs of a build-up of troops to the north of the province. Robin Cook, UK foreign secretary, said he was gravely concerned about the plight of displaced people still in Kosovo, estimated to number between 200,000 and 300,000.

Further reports, Page 2
Comment, analysis and letters,
Pages 5 and 7



Spyros Kyprianou comforts a Serbian woman in Gnjazice

Murdoch blocked in bid for top UK soccer club

By Patrick Harverson in London

The British government yesterday took a firm stance against the media ownership of sporting franchises when it blocked Rupert Murdoch's planned \$1bn (£525m) takeover of Manchester United, one of the world's biggest soccer clubs.

The decision stands in sharp contrast to policy in other European countries and in the US, where media ownership of sporting clubs is commonplace.

Mr Murdoch's News Cor-

poration itself owns the Los Angeles Dodgers baseball team, while in Europe the Italian soccer club AC Milan is owned by Silvio Berlusconi, head of the Mediaset group, and the French club Paris St Germain is owned by Canal Plus.

The bid had been made by British Sky Broadcasting, the country's dominant sports broadcaster, which is controlled by News Corp. Ownership of United would have allowed Mr Murdoch's broadcasting companies to exploit the full com-

mercial potential of the club's vast worldwide following among soccer fans.

The decision was taken after the competition authorities concluded the deal would give the satellite broadcaster an unfair advantage in the negotiation of the lucrative television rights to soccer matches in the English Premier League.

Although referring only to the BSkyB-United deal, the concerns expressed in the Competition Commission's report about the impact of media ownership on soccer's

future cast doubts over the chances of other British clubs agreeing takeover deals with media groups.

The strength of the commission's opposition to the takeover surprised analysts and lawyers, and made it easier for Stephen Byers, the UK trade and industry secretary, to take what had been seen as a politically uncomfortable decision.

The government has been criticised over its links with Mr Murdoch, whose Sun newspaper advised its readers to vote Labour at the

1997 general election. The bid had attracted vociferous opposition.

BSkyB and Manchester United both expressed disappointment at the decision. Mark Byers, BSkyB's chief executive, said the decision set an unfortunate precedent for other clubs and companies looking to join forces.

"This is a bad ruling for British football clubs who will have to compete in Europe against clubs who are backed by successful media companies," he said.

The decision was hailed by

Murdoch, the pressure group which led the fight to block the bid, as "a victory for football, a victory for broadcasting and a victory for the ordinary fan".

Some supporters called on Martin Edwards, the club's chief executive, to step down. However, the club insisted the management would remain in place.

Football share prices fell sharply on the London stock market after the ruling.

Lex, Page 24

China may join WTO this year

By Stephen Fidler and Nancy
Davies in Washington

China could enter the World Trade Organisation by the end of the year if the momentum of negotiations was sustained, Charles Barshefsky, US trade representative, said yesterday.

However, significant work needed to be done on a number of issues to secure Chinese entry.

In particular, she said, the US needed to be satisfied that China would implement its part of any deal systematically.

The US and China failed on Thursday to agree a deal on WTO entry that would have capped a summit meeting between US president Bill Clinton and Zhu Rongji, the Chinese premier.

But Ms Barshefsky said negotiators had advanced more in the past few months than in the previous 13 years.

"On the current trajectory, I'd say that we should expect China to enter by the end of this year," she said in an interview.

But she said there was a need for a review mechanism of China's implementation efforts that would act as an "early warning system".

"The issue is not so much concern about punishing China, but rather having some means to help China get back on track," she said.

She said the European Union, with which the US had worked closely on Chinese accession, had similar concerns.

US business groups yesterday welcomed the progress made in the negotiations. But some expressed concern that failure to sign a bilateral trade deal during this week's US visit by Mr Zhu could jeopardise prospects for Chinese entry.

Mr Zhu yesterday met US

lawmakers, opened a conference on the environment and development with Al Gore, US vice-president, and was due to meet Alan Greenspan, the Federal Reserve chairman, and Robert Rubin, the Treasury secretary.

Business groups praised US negotiators for the much improved access to the Chinese market that would result, once China joined the WTO. But they also said the administration should move quickly to capitalise on the gains made.

"It is now more important than ever that the momentum of the negotiations be maintained so that China's accession package can be completed at the earliest date," said Ernest Mickel, chairman of the Emergency Committee for American Trade.

US officials said a deal on market access was within the grasp of negotiators this week, but concern by the president about an adverse reaction on Capitol Hill led him to decide not to seal an accord. Officials of the US trade representative, State Department and National Security Council favoured signing a deal this week, while those opposed included the Treasury.

Observers were divided on whether this was a wise tactical decision by the president, some arguing that a deal would be easier to conclude away from the public spotlight in the summer, with others saying the Chinese might well be coaxed into concessions had failed to satisfy the US.

Mrs Barshefsky refused to comment on cabinet discussions on the deal. She attributed the advances to the personal involvement of Mr Zhu.

Entry opposed, Page 4

News General

European rate cut welcomed

There was a broad welcome for the European Central Bank's decision to cut interest rates, but some analysts doubted that the cut would promote economic growth. Meanwhile, the euro-zone's economic difficulties were underlined by figures showing that unemployment has not dropped. Page 3; Editorial Comment, Page 6

Nationalist leader talks of Scotland in euro-zone

A Scottish National party administration in Edinburgh would aim to hold an early referendum on independence, and could establish a separate Scottish currency while it seeks to join the euro-zone, Alex Salmond, party leader, said. Page 6; A blow for Scotland, Page 7

US producer price rise below expectations

The US Labor Department said its producer price index rose mildly by a seasonally adjusted 0.2 per cent last month, following a 0.4 per cent drop in February. The figures were marginally below analysts' expectations, triggering a slight rise in bond prices. Page 4

Justice starts to catch up with Argentina's ex-rulers

The babies taken from women who disappeared during Argentina's "Dirty War" in the 1970s are only now discovering their true identity. And the former military rulers, including ex-dictator Leopoldo Galtieri, are discovering that justice is catching up with them. Page 4

Going, Going, Gone.com

The internet is revolutionising the auction business, offering a way to trade with nothing more than a computer

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Stocks	FTSE 100	DAX	Nikkei	Hang Seng	ASX	SE Asia	Commodities	Currencies	Gold	Oil	Other
London	5,800.00	3,400.00	14,200.00	15,800.00	3,200.00	1,200.00	100.00	1.50	380.00	25.00	1.00
Paris	12,500.00	6,500.00	18,000.00	20,000.00	4,000.00	1,500.00	110.00	1.60	390.00	26.00	1.10
New York	11,000.00	5,800.00	16,000.00	18,000.00	3,500.00	1,300.00	105.00	1.40	370.00	24.00	0.90
Tokyo	13,500.00	7,000.00	19,000.00	21,000.00	4,200.00	1,600.00	115.00	1.70	400.00	27.00	1.20
Hong Kong	16,000.00	8,000.00	22,000.00	24,000.00	5,000.00	1,800.00	120.00	1.80	410.00	28.00	1.30
Singapore	18,000.00	9,000.00	24,000.00	26,000.00	5,500.00	2,000.00	125.00	1.90	420.00	29.00	1.40
Manila	20,000.00	10,000.00	26,000.00	28,000.00	6,000.00	2,200.00	130.00	2.00	430.00	30.00	1.50
Bangkok	22,000.00	11,000.00	28,000.00	30,000.00	6,500.00	2,400.00	135.00	2.10	440.00	31.00	1.60
Colombo	24,000.00	12,000.00	30,000.00	32,000.00	7,000.00	2,600.00	140.00	2.20	450.00	32.00	1.70
Kuala Lumpur	26,000.00	13,000.00	32,000.00	34,000.00	7,500.00	2,800.00	145.00	2.30	460.00	33.00	1.80
Jakarta	28,000.00	14,000.00	34,000.00	36,000.00	8,000.00	3,000.00	150.00	2.40	470.00	34.00	1.90
Yogyakarta	30,000.00	15,000.00	36,000.00	38,000.00	8,500.00	3,200.00	155.00	2.50	480.00	35.00	2.00
Medan	32,000.00	16,000.00	38,000.00	40,000.00	9,000.00	3,400.00	160.00	2.60	490.00	36.00	2.10
Samarang	34,000.00	17,000.00	40,000.00	42,000.00	9,500.00	3,600.00	165.00	2.70	500.00	37.00	2.20
Semarang	36,000.00	18,000.00	42,000.00	44,000.00	10,000.00	3,800.00	170.00	2.80	510.00	38.00	2.30
Surabaya	38,000.00	19,000.00	44,000.00	46,000.00	10,500.00	4,000.00	175.00	2.90	520.00	39.00	2.40
Yogyakarta	40,000.00	20,000.00	46,000.00	48,000.00	11,000.00	4,200.00	180.00	3.00	530.00	40.00	2.50
Medan	42,000.00	21,000.00	48,000.00	50,000.00	11,500.00	4,400.00	185.00	3.10	540.00	41.00	2.60
Samarang	44,000.00	22,000.00	50,000.00	52,000.00	12,000.00	4,600.00	190.00	3.20	550.00	42.00	2.70
Semarang	46,000.00	23,000.00	52,000.00	54,000.00	12,500.00	4,800.00	195.00	3.30	560.00	43.00	2.80
Surabaya	48,000.00	24,000.00	54,000.00	56,000.00	13,000.00	5,000.00	200.00	3.40	570.00	44.00	2.90
Yogyakarta	50,000.00	25,000.00	56,000.00	58,000.00	13,500.00	5,200.00	205.00	3.50	580.00	45.00	3.00
Medan	52,000.00	26,000.00	58,000.00	60,000.00	14,000.00	5,400.00	210.00	3.60	590.00	46.00	3.10
Samarang	54,000.00	27,000.00	60,000.00	62,000.00	14,500.00	5,600.00	215.00	3.70	600.00	47.00	3.20
Semarang	56,000.00	28,000.00	62,000.00	64,000.00	15,000.00	5,800.00	220.00	3.80	610.00	48.00	3.30
Surabaya	58,000.00	29,000.00	64,000.00	66,000.00	15,500.00	6,000.00	225.00	3.90	620.00	49.00	3.40
Yogyakarta	60,000.00	30,000.00	66,000.00	68,000.00	16,000.00	6,200.00	230.00	4.00	630.00	50.00	3.50
Medan	62,000.00	31,000.00	68,000.00	70,000.00	16,500.00	6,400.00	235.00	4.10	640.00	51.00	3.60
Samarang	64,000.00	32,000.00	70,000.00	72,000.00	17,000.00	6,600.00	240.00	4.20	650.00	52.00	3.70
Semarang	66,000.00	33,000.00	72,000.00	74,000.00	17,500.00	6,800.00	245.00	4.30	660.00	53.00	3.80
Surabaya	68,000.00	34,000.00	74,000.00	76,000.00	18,000.00	7,000.00	250.00	4.40	670.00	54.00	3.90
Yogyakarta	70,000.00	35,000.00	76,000.00	78,000.00	18,500.00	7,200.00	255.00	4.50	680.00	55.00	4.00
Medan	72,000.00	36,000.00	78,000.00	80,000.00	19,000.00	7,400.00	260.00	4.60	690.00	56.00	4.10
Samarang	74,000.00	37,000.00	80,000.00	82,000.00	19,500.00	7,600.00	265.00	4.70	700.00	57.00	4.20
Semarang	76,000.00	38,000.00	82,000.00	84,000.00	20,000.00	7,800.00	270.00	4.80	710.00	58.00	4.30
Surabaya	78,000.00	39,000.00	84,000.00	86,000.00	20,500.00	8,000.00	275.00	4.90	720.00	59.00	4.40
Yogyakarta	80,000.00	40,000.00	86,000.00	88,000.00	21,000.00	8,200.00	280.00	5.00	730.00	60.00	4.50
Medan	82,000.00	41,000.00	88,000.00	90,000.00	21,500.00	8,400.00	285.00	5.10	740.00	61.00	4.60
Samarang	84,000.00	42,000.00	90,000.00	92,000.00	22,000.00	8,600.00	290.00	5.20	750.00	62.00	4.70
Semarang	86,000.00	43,000.00	92,000.00	94,000.00	22,500.00	8,800.00	295.00	5.30	760.00	63.00	4.80
Surabaya	88,000.00	44,000.00	94,000.00	96,000.00	23,000.00	9,000.00	300.00	5.40	770.00	64.00	4.90
Yogyakarta	90,000.00	45,000.00	96,000.00	98,000.00	23,500.00	9,200.00	305.00	5.50	780.00	65.00	5.00
Medan	92,000.00	46,000.00	98,000.00	100,000.00	24,000.00	9,400.00	310.00	5.60	790.00	66.00	5.10
Samarang	94,000.00	47,000.00	100,000.00	102,000.00	24,500.00	9,600.00	315.00	5.70	800.00	67.00	5.20
Semarang	96,000.00	48,000.00	102,000.00	104,000.00	25,000.00	9,800.00	320.00	5.80	810.00	68.00	5.30
Surabaya	98,000.00	49,000.00	104,000.00	106,000.00	25,500.00	10,000.00	325.00	5.90	820.00	69.00	5.40
Yogyakarta	100,000.00	50,000.00	106,000.00	108,000.00	26,000.00	10,200.00	330.00	6.00	830.00	70.00	5.50
Medan	102,000.00	51,000.00	108,000.00	110,000.00	26,500.00	10,400.00	335.00	6.10	840.00	71.00	5.60
Samarang	104,000.00	52,000.00	110,000.00	112,000.00	27,000.00	10,600.00	340.00	6.20	850.00	72.00	5.70
Semarang	106,000.00	53,000.00	112,000.00	114,000.00	27,500.00	10,800.00	345.00	6.30	860.00	73.00	5.80
Surabaya	108,000.00	54,000.00	114,000.00	116,000.00	28,000.00	11,000.00	350.00	6.40	870.00	74.00	5.90</

WORLD NEWS

KOSOVO CRISIS

NATO CAMPAIGN 'HUMAN SHIELDS' WOUNDED AS FACTORY HIT □ MOSCOW SOWS CONFUSION □ RELIEF AT NATO HEADQUARTERS □ LEADERS OF GERMAN GREENS FEEL PRESSURE

'Tomahawk democracy' decried as car plant bombed

By Guy Diamond in Belgrade

Nato air raids early yesterday inflicted severe damage on Serbia's Zastava car plant, wounding more than 120 workers who had stayed as "human shields" to protect the state-owned complex which, according to officials, also produced hunting rifles and pistols.

Milan Beko, the director of Zastava and Serbia's former privatisation minister, was outraged that Nato had targeted a civilian factory that

had been in privatisation talks with Italy's Fiat and Peugeot of France.

"What are the fundamentals of the new millennium? Tomahawk democracy?" he said as, accompanied by thousands of workers, he inspected the wrecked plant in the southern city of Kragujevac.

After so many years of sanctions we were on the edge of starvation and now we were starting to do something. With Fiat or Peugeot we were on the road to a

good future," the director said.

Mr Beko said six missiles or bombs had destroyed a power plant, the truck assembly line, which was 46 per cent owned by Italy's Iveco, as well as the car paint shop and the finishing section of the production line.

He said the strikes had injured 124 workers, who had ignored requests by the Yugoslav army to leave.

A separate part of the industrial complex, which

Mr Beko said produced only hunting rifles and pistols, was also hit.

He said the factory had stopped producing weapons for the military more than 18 months ago, although Politika, Serbia's leading official newspaper, reported last month that Zastava had produced a new multiple grenade-launcher ready for export and ideal for combating "terrorists".

The Zastava car plant was the pride of former Yugoslavia, producing 220,000

cars a year in its heyday and employing 40,000 workers. During sanctions imposed on Belgrade from 1992 to 1996, following the wars in Bosnia and Croatia, output fell to an annual 5,000 units, but under Mr Beko's new management this had risen to 12,000 in the last five months of last year.

Ironically, a year ago, when he was privatisation minister, the entrepreneur with no party affiliation was courted by western governments as a leading reformist

within the Serbian government and a favourite guest on the diplomatic dinner circuit.

Zastava produced the ubiquitous Yugo, which once made inroads on western markets, as well as the latest model - still 14 years old - the Florida hatch-back.

"It won't have that name any longer. We'll have to find something more appropriate," Mr Beko said.

On Thursday night Nato also targeted radio and television transmitters used by

RTS, Serbia's state-run broadcaster. Air Commodore David Wilby, Nato's military spokesman, said RTS was a "legitimate target which filled the airways with hate and with lies over the years".

But, he said, RTS would escape further punishment if Slobodan Milosevic, Yugoslav president, gave six hours of air space to western news broadcasts each day. The defiant reply from RTS was a message to Nato headquarters giving its address

in Belgrade - 10 Takovska Street.

RTS is the main propaganda tool of the Serbian regime and has kept its viewers in the dark over the depth of the refugee crisis in Kosovo province.

State television routinely refers to Nato as "fascist aggressors" and compares US President Bill Clinton with Hitler. Some relay stations were knocked out earlier this week, blanketing television screens in central Serbia.

KOSOVO LIBERATION ARMY

Serb aggression helps KLA to win hearts and minds

While the army's effectiveness is unclear, there is no doubting its support in the province, writes Stefan Wagstyl

A soldier in a green camouflage uniform with an eagle badge on one shoulder and automatic rifle slung over the other looks with his partner in the back of our car and in the boot before waving us through. "We are fighting to free Kosovo," he says.

This is the Kosovo Liberation Army on duty in the mountains of northern Albania. The two men are running a checkpoint on the road from Kukës, the main border town, to the Albanian interior - the principal exit route for Kosovo refugees. They are looking, they say, for Serbian spies and for young Kosovar Albanian men trying to evade KLA service.

In a nearby valley there is a tented camp, a receiving point for recruits. These include many volunteers, the press-ganged, and a smattering of émigré Kosovars who have returned from other countries to fight for their homeland. They are responding to a KLA "mobilisation" call made soon after the start of Nato bombing.

Most have no military experience, but all seem determined to do battle. The fighting has clearly radical-

ised the ethnic Albanians of Kosovo.

Serbin Elekurtaj, a 36-year-old father of three from Zhur, near Prizren, who ran a building company, is nobody's idea of a hot-head. But speaking in Kukes he says he has lost everything - a house and its contents worth DM500,000 (£260,000, \$260,000). "I have to fight," he says.

Aside from its ability to recruit, the effectiveness of the KLA is hard to judge. It seems to have had little effect in slowing Serb assaults on civilians in the last two weeks. Jakup Krasniqi, KLA political director, says this is not surprising as the army's main aim in recent days has been to support civilians, not to attack Serb forces.

However, even the support for civilians has been patchy, at best. Refugees speak warmly of the KLA but few have specific examples of receiving KLA aid on their way from Kosovo.

Visar Reka, a KLA spokesman working with Mr Krasniqi, bristles at suggestions that the force has been weakened by the most recent Serb attack. He says that even this week a KLA unit in its stronghold in the



Comrades in arms: A unit of the Kosovo Liberation Army honours a dead colleague recently

Drenica district west of Pristina attacked and killed 30 Serb policemen while they were looting a village.

"All were eliminated," says Mr Reka, a claim which is impossible to verify.

The KLA is also helping Nato by supplying information, including bomb damage reports, Mr Reka adds.

Western military officials say the KLA was hit badly by Serb forces during most of the first two weeks of Nato's air action, as the Serbs took advantage of the limits imposed by poor weather on Nato pilots. However, the Serbian forces are now being hampered by Nato attacks on units on the ground in Kosovo.

Nato says there is evidence of KLA counter-attacks, but Air Marshal Sir John Day of the UK believes

they "have a difficult job on their hands".

Whatever its military strengths, the political power of the KLA among Kosovars seems higher than ever, particularly since Ibrahim Rugova, the unofficial Kosovo president, appeared on television with Slobodan Milosevic, Yugoslav president.

Even if he was acting under duress, as many Kosovars believe, the sight of his powerlessness has undermined his reputation.

His war-induced popularity is new to the KLA. Founded in 1992, it had little support until the mid-1990s. Many Kosovars, particularly middle-class urban people, preferred to trust the genial Mr Rugova than the Marxist-influenced KLA.

However, attitudes changed as Serb pressure mounted and the Kosovars found themselves ignored by the international community in the 1995 Bosnia Dayton accord.

Money for fighting started to flow in from the Albanian diaspora. The KLA took its share from a 3 per cent "income tax" levied on emigrants in Germany and elsewhere by a Kosovo government-in-exile.

West European police are investigating claims that some of the KLA's funds came from drug smuggling and other criminal activities - allegations rejected by the organisation.

As it grew stronger, so did Serb assaults on its forces, notably in the 1996 summer campaign. Mr Reka says surviving this attack was the

KLA's biggest success so far - which some might see as an admission of its limited attack capability. While it has smuggled numerous rifles and grenade launchers from Albania, it has nothing to match Serb armour.

With growing ethnic Albanian support has come international recognition, culminating in the Rambouillet peace talks, where western governments paid less heed to Mr Rugova than to the KLA delegation led by 28-year-old Hashim Thaci, who was nominated prime minister of an interim government.

The KLA is by no means united. Having evolved from military units which retain a high level of operational independence, it suffers from internal divisions. An overall military commander -

Sulejman Selimi - was named only at the time of Rambouillet, and his relationship with Mr Thaci is by no means clear.

Equally unclear is the relationship these two have with Adem Demaci, a 63-year-old veteran political prisoner and hardliner who opposed Rambouillet.

Mr Demaci was dismissed from the KLA leadership for blocking the accord because it gave Kosovo only autonomy, not independence. However, he may have retained considerable authority.

Most Kosovars want to set aside their internal divisions for the duration of the conflict. As Mr Reka says: "What matters now is fighting the Serb forces."

Additional reporting by Alexander Nicoll

MOSCOW

Confusion over missile targeting

By Andrew Jack in Moscow

The Russian leadership sent out dangerously contradictory messages on Yugoslavia yesterday after President Boris Yeltsin was reported to have ordered the country's missiles to be targeted on Nato countries involved in air strikes, before other senior officials denied any such action had been taken.

Gennady Seleznev, Communist speaker of the Duma, the lower house of parliament, said in the morning that Mr Yeltsin had told him during discussions on Yugoslavia that he had ordered nuclear missiles to be re-targeted on the west.

The Kremlin fuelled confusion by initially refusing to either confirm or deny the president's statement, while Russia's Strategic Rocket Forces said it was not aware of any change in its standing orders.

In a sign that Mr Yeltsin may have been muddled in his statements, Mr Seleznev stuck by his version of events while Kremlin officials suggested that the president had been misinformed.

By late afternoon Igor Ivanov, foreign minister, was emphasising that he was unaware of "any orders concerning missiles".

Mythified by what the president had actually said, the British embassy in Moscow said it was urgently trying to obtain clarification, while Robin Cook, British foreign secretary, stoked the controversy by warning of the dangers of an alliance between Russia and Yugoslavia.

"It cannot be in Russia's long-term interests to isolate itself in the Balkans with [Yugoslav President Slobodan] Milosevic at a time when he himself is more isolated than ever among the countries of the region," Mr Cook said.

Struggling with ill health, Mr Yeltsin has periodically made statements that have bemused and confused observers.

In late 1997 at a press conference in Stockholm he mistook Sweden for Finland and Norway, and referred to Germany and Japan as nuclear powers.

At a briefing with journalists during the visit of US President Bill Clinton to Moscow last September, the Russian president appeared to believe he was hosting the press conference at the conclusion of the discussions, when in fact the talks had not yet begun.

In an indication of the intense domestic political pressure that he is under, Mr Yeltsin said in a statement yesterday that "some deputies and politicians" had demanded that he give the go-ahead to military intervention in Yugoslavia or they would vote against him in Communist-inspired impeachment hearings scheduled for April 15.

Having just returned from a meeting in Belgrade with Mr Milosevic, Mr Seleznev also said yesterday that the talks with Mr Yeltsin touched on the proposal for a union between Russia, Yugoslavia and Belorussia.

Andrei Piontovskiy, head of the Centre for Strategic Studies in Moscow, called the president's statements "foolish and counter-productive".

He said they risked jeopardising Russia's potential role as a broker in the Yugoslav conflict, and would alienate support and do little to help the president's efforts to fight impeachment.



Joschka Fischer: torment

BONN JOSCHKA FISCHER HAS NOT TRIED TO HIDE FRUSTRATIONS

War takes its toll on pacifist minister

By Haly Simonian in Berlin

Every crag and crevice on Joschka Fischer's crumpled face speaks volumes. Germany's foreign minister has visibly suffered in his public appearances in the 17 days since Nato started bombing Yugoslavia.

Indeed, Mr Fischer and other leading members of the Green party, the junior member of the Red-Green coalition of Socialists and environmentalists in Bonn, have made self-examination something of a trademark.

With Luftwaffe aircraft in combat for the first time since 1945, Nato's policy has come as a shock to a country which believed war had been consigned to the history books. Instead, for Mr Fischer, 50, the fighting in Yugoslavia has prompted some bitter soul-searching.

The foreign minister, like Chancellor Gerhard Schröder, represents the first generation of German politicians to have grown up after the Nazis. But unlike the chancellor's Social Democratic party (SPD), which has been rocked by the Kosovo crisis because of its strong anti-military wing, the pacifist Greens have been positively convulsed.

For many party members the foreign minister is a turncoat who has sold out pacifism in his desire for power. Rather than seeing the former taxi driver turned politician as one of the brightest stars in the accident-prone coalition, die-hard Greens have branded Mr Fischer as a warmonger. Some have called for his resignation.

Hans-Christian Ströbele, a leading Green pacifist, claims the party is shedding members by backing German involvement in the fighting. Last week Mr Strö-

belle and others demanded a special party congress to discuss the issue. After first agreeing to a lower profile meeting with about 100 regional representatives this week, party leaders have now approved a special congress next month - the second in 60 days.

Mr Fischer will have some explaining to do. The Nato strikes have exposed two weaknesses among the Greens: first, a moral crisis over whether the fighting is justified; and second, a practical dilemma on how to keep disillusioned voters on board.

This week the Greens' headquarters in Bonn were

'I'm convinced that what we've done has been right from the start'

even occupied briefly by a band of anti-fascists protesting against its policy. Quite how many Greens are handing back their membership cards is hard to judge. The former communist Party of Democratic Socialism, now Germany's only anti-war party, says it has gained 267 members since the Nato strikes started. That is a significant number for the PDS, which is hampering support as its predominantly elderly members from the east die off.

Desperate to win new voters among younger Germans in the west, the party sees disenchanted Greens as rich pickings.

But even if grass-roots defections are still relatively

limited, the Greens could face a more embarrassing drubbing at the ballot box. Disappointment over their initial showing in government lay partly behind the drop in support seen in state elections in Hesse in February - the Greens' first test at the polls since taking power with the SPD in October.

With European Parliament elections looming in June, many party leaders are worried about further losses. Senior party members are divided over how to respond. Antje Radcke, the party's co-leader, has said Nato should halt its strikes and return to the negotiating table. But she also argued Greens should remain in government as long as they could influence policy to end the conflict.

Mr Fischer has attempted to steer a similar line. He has not tried to hide the inner frustrations and torments Kosovo has prompted. "I'm convinced that what we've done as the German government has been right from the start," he said. Alluding to the country's heavy historical burden of fascism and genocide, he noted: "Germany couldn't have acted any other way."

"There is no innocent in this situation. Whoever takes action carries grave responsibility. But so do those who don't act."

He has noted that he opposed the Vietnam war and Augusto Pinochet. He has also recalled how, as a child, he used to ask his parents why they had not done more to oppose Hitler.

By Neil Buckley in Brussels

Just as the skies cleared over Yugoslavia this week, so spirits began to lift a little at Nato's nerve centre in Brussels.

The first two weeks of the campaign officials admit, were difficult. There were private admissions that the allies had underestimated the cunning and resilience of Slobodan Milosevic, the Yugoslav president, and the ferocity with which he would pursue ethnic cleansing in Kosovo.

There were leaks suggesting military commanders had warned that an air campaign alone would not be enough to drive Mr Milosevic's forces from Kosovo, and fears that the alliance's resolve might splinter.

"It was fairly grim here the first week," admitted one Nato diplomat yesterday. But as the air campaign entered its third week, several factors brightened the mood.

One was Tuesday's swift agreement to denounce Mr Milosevic's unilateral ceasefire announcement - seen as an attempt to seize the moral high ground and split the alliance - as insufficient to stop the bombing.

The unity extended even to Greece, where public opinion has been most hostile to bombing and which might have been sympathetic to an Orthodox Easter ceasefire.

"We now have a feeling of being united," said another Nato official. "During the first few days we were not so sure that everyone's support would remain solid. We didn't know what impact public opinion might have."

Not only was unity preserved, but opinions converged on Nato's objectives.

BRUSSELS OFFICIALS PUT FIRST TWO TOUGH WEEKS BEHIND THEM

United front helps to lift mood at Nato

By Neil Buckley in Brussels

Within hours of Tuesday's Yugoslav offer, Nato ambassadors in Brussels had endorsed a new, five-point list of demands for Mr Milosevic.

The list was a strengthened and clarified version of demands first released by Javier Solana, Nato secretary-general, last Saturday evening, but from which some Nato members had initially distanced themselves.

Views also began to converge on the humanitarian crisis, which a senior diplomat said this week had caused "great heartache" within the alliance. Splits over whether to absorb refu-

'During the first days we were not so sure that support would remain solid'

gees into Nato countries or keep them in the Balkans were healed through a compromise agreement to do a mixture of the two.

The alliance began to prove it could both carry on its air campaign and provide military support to the humanitarian effort.

Another factor lifting the mood was that air strikes finally began hitting Serbian forces on the ground in Kosovo - coupled with signs that the cumulative effect of two weeks' bombing was being felt.

Nato's daily briefings for journalists could finally show pictures of a bombed-out Serbian military convoy and tanks, and cockpit film of a missile striking an armoured personnel carrier.

"The strikes are beginning to have an effect," said one diplomat. "And we are better able to assess their impact when the weather is clear."

Other officials suggested there was evidence Mr Milosevic's forces were having difficulty moving around due to fuel shortages, and destruction of infrastructure and lines of communication.

But the clouds were coming down again yesterday and the alliance showed it still had a capacity for embarrassing gaffes. It had to correct two main points from its Thursday press briefing, when it suggested Yugoslav TV and radio might be targets (they are not) and that Nato did not cause civilian damage in Pristina that Yugoslavia displayed to foreign journalists (it did).

Difficult choices lie ahead, any of which could break the diplomatic consensus in Brussels.

One is the circumstances under which an international security force might enter Kosovo to protect returning refugees.

Nato says it will only send such a ground force into a "permissive" environment. Interpretations differ on what that means.

There is also the danger that a desperate Mr Milosevic could use Kosovars as human shields to protect targets.

Despite all protestations to the contrary, should air strikes fail to break Mr Milosevic's forces the alliance could still face a decision on a ground invasion. Senior diplomats say no planning is being carried out beyond preliminary work done last summer.

But in a conflict situation, they say, nothing can be ruled out definitively.

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مكتبة الأمل

NEWS DIGEST

BID TO MAKE EXPORTS COMPETITIVE

Taiwan cuts tariffs on semiconductor parts

Taiwan's finance ministry said yesterday it was halving tariffs on 25 semiconductor components used in electronic products to sharpen exporters' competitive edge by trimming their costs. Tariffs for 23 of the products will fall to 0.15 per cent and those for two others to 0.25 per cent, the ministry said.

The products, including a variety of integrated circuits, solar cells and transistors, were described as upstream components used in Taiwan's huge electronics manufacturing industry. "The cuts will reduce production costs of our semiconductor industry and upgrade makers' export competitiveness, helping our industrial technology development stay in step with the world's advanced countries," the ministry said. Reuters, Taipei

EAST TIMOR

Guerrilla leader threatened

The East Timor guerrilla leader, Xanana Gusmao, will be removed from house arrest and returned to jail unless he retracts a call to arms within one week, Indonesia's justice minister, Muladi, said yesterday. "The written statement has to be withdrawn in writing. If it is only withdrawn orally, it must be done so firmly," Mr Muladi said.

Mr Gusmao was jailed for 20 years after his capture in 1992, but was moved to house arrest in February to allow him to play a leading role on talks on East Timor's future. On Monday he issued a statement calling on East Timorese to take up arms against Jakarta's forces in the former Portuguese colony. On Wednesday, he denied that this constituted a declaration of war. Pro-Jakarta militias have called the statement an "offer of war". Reuters, Jakarta

WEST AFRICA

Niger president assassinated

The president of landlocked Niger, on the edge of the Sahara desert, was assassinated by one of his bodyguards during a military coup yesterday. Niger's prime minister said in a televised address the National Assembly had been dissolved and all political activity suspended. He added that a government of national unity would be formed in a few days. He said Ibrahim Bare Maïnassara had been killed in a "tragic accident" but US officials said the president was assassinated by his guards.

The turmoil comes amid opposition calls for Mr Maïnassara's resignation after the annulment of regional elections held earlier in the week. There were unconfirmed reports of violent attacks on voters' centres and, on Wednesday, the Supreme Court annulled the elections and ordered a new round of voting. Opposition politicians claimed they were winning the elections and accused the government of inciting the violence. Mr Maïnassara, a former army colonel, seized power in a coup in January 1996, ousting the first democratically elected government. AP, Niamey

IVORY SALES

Elephant tusk auction

Fourteen Japanese buyers gathered at a country club in Namibia yesterday to bid for 13.8 tons of elephant tusks in the first legal sale of ivory since an international ban was imposed in 1989.

The sale follows the granting of permission in February by the United Nations to dispose of elephant tusk stockpiles. The go-ahead provoked criticism by some conservationists, who fear the sale would promote poaching. The ivory ban was imposed to help stem the slaughter of elephants, whose numbers declined in some parts of Africa.

The Namibian auction will be followed by auctions for 59 tons next week in Zimbabwe and Botswana. The ban will remain in effect after the sales, said Jim Armstrong, of the UN committee that approved the sale. He said that if there was any evidence in an upsurge in poaching because of the sale, future auctions would be ruled out.

The ivory up for auction comes from natural deaths and the culling of problem animals only, said Milan Lindeque, the environment ministry's chief elephant expert. Nearly every tusk sold can be traced to individual elephants that died over the last 15 years. Another 28 tons of ivory confiscated from poachers and smugglers remain under lock and key in a government vault elsewhere in Windhoek.

Most of the 14 buyers represent traditional "handlers" carving businesses in Japan, which create elaborate signature seats from the malleable ivory for wealthy clients. Japan is the leading consumer of ivory. AP, Windhoek

HONG KONG

Lending rates cut to 8.5%

Hong Kong banks yesterday cut their lending rates by 0.25 percentage points to 8.5 per cent - the sixth such reduction since October last year. The latest cut comes amid other glimmers of optimism in the territory and should help deliver a boost to the economy.

Anticipation of the reduction helped fuel a 1.6 per cent rise on the stock market yesterday, driving the benchmark Hang Seng Index to its highest close since October 1997. Analysts also expect it to help lift sentiment in the property market, a pillar of the economy which has plunged in the wake of the Asian financial crisis.

In recent weeks the outlook for the property sectors has turned slightly brighter. Three plots are set to go under the hammer next week at the first government land auction in nine months. Yesterday's cut means mortgage interest rates are now below pre-crisis levels. Combined with a 50 per cent fall in home prices, that increases affordability. Louise Lucas, Hong Kong

UGANDA BANK

No need for alarm, says IMF

The International Monetary Fund has said that the Uganda government's decision to put Uganda Commercial Bank (UCB), the country's largest bank, under statutory management should be no cause for alarm. "It is just a matter of management. The bank is sound, and the management will ensure that loans are made properly," said Zia Brahimi-Zadeh, the IMF country representative.

The Bank of Uganda said on Tuesday that it had taken control of UCB "in order to strengthen control over management, to protect the interests of depositors and to remove Westmont Land Asia from the management of the bank."

Westmont bought 49 per cent of the bank last April, but the deal came under attack in December when the Ugandan parliament discovered Salim Saleh, the brother of President Yoweri Museveni, had fraudulently bought the stakes from Westmont by channeling funds through Greenland Bank.

Gen Saleh resigned his post as presidential military adviser over the affair last year, but has not been charged. Emmanuel Lule, the Bank of Uganda deputy governor, said the Westmont management had "violated banking provisions by extending credit to certain borrowers well in excess of the limits permitted under law". Mark Turner, Nairobi

EUROPEAN CENTRAL BANK MOVE SEEN AS ENHANCING THE YOUNG INSTITUTION'S CREDIBILITY

European rate cut wins plaudits but doubts remain on growth prospects

By Tony Barber in Frankfurt

Financial markets and economists yesterday broadly welcomed the European Central Bank's decision to cut interest rates, saying it was a sensible response to weakness in the euro-zone economy that should enhance the young bank's credibility.

But some experts said they doubted the rate cut would promote economic growth, despite the ECB's hopes. Others even suggested the bank might have compromised its chances of inheriting the Bundesbank's rock-solid reputation for monetary discipline.

In its first such move since the euro's launch in January, the ECB cut its main refinancing rate on Thursday to 2.5 per cent from 3 per cent, describing the action as a contribution to creating a climate for growth in the 11-nation euro-zone.

The association of commercial German banks said the ECB had correctly judged that the cut would not undermine its anti-inflationary strategy, as euro-zone inflation was a mere 0.8 per cent and money supply growth was moderate.

"The ECB's rate move can favourably influence the economic climate," it said. Like other private sector commentators, however, the association contended that lower rates would not of themselves boost growth.

Businessmen and investment bankers said Germany and other euro-zone governments should reform their tax and social security systems, free up labour and goods markets and reverse a recent tendency to loosen fiscal policy.

"Both the timing and extent of the move are surprising. No additional impulses for the economy or for employment can be expected," said Germany's Chamber of Industry and Commerce, known for its view that tax incentives, deregulation and other liberal reforms are the key to



Persistent unemployment rate of 10.5% of workforce reflects economic difficulties in the euro-zone

The economic difficulties of the 11-nation euro-zone were underlined yesterday when official figures showed that 10.5 per cent of the workforce was unemployed in February, the same level as in January, writes Tony Barber.

Unemployment in the 15-nation European Union as a whole fell slightly to 9.6 per cent in February from 9.7 per cent in January, said Eurostat, the EU's statistical agency. About 13.5m people were unemployed in the euro-zone in February, compared with 16.3m in the EU as a whole.

Although euro-zone unemployment has declined

creating jobs and growth.

Analysts at Morgan Stanley Dean Witter, the investment bank, disagreed. "A central bank gains credibility by making the right moves at the right time... The cut should bolster, not reduce, the ECB's credibility."

somewhat since standing at 11.2 per cent in February 1998, it remains well above US levels and is uncomfortably high in the euro area's four largest economies - Germany, France, Italy and Spain.

In Germany, which accounts for a third of euro-zone economic output, figures published on Thursday showed that 4.07m people were unemployed in March, or 10.5 per cent of the workforce.

Inflation in Germany remained subdued in March, rising 0.4 per cent in annual terms and only 0.1 per cent month-on-month, according

to a report yesterday from the federal statistics office in Wiesbaden.

Eurostat also released data showing that the euro-zone had run up a trade surplus with the rest of the world last year of €93.2bn (\$99.5bn).

This was 5.9 per cent less than the €98.4bn surplus recorded in 1997, but slightly above an estimate of €92.7bn issued by Eurostat last month.

Separately, the European Commission reported that its consumer confidence index for the euro-zone had dropped slightly to 103.5 in March from 103.6 in February.

In announcing the rate cut, Wim Duisenberg, the

bank's president, emphasised that it was not a cure-all for Europe's sluggish economy, but required complementary structural reforms of the kind advocated by private sector business. But some economists

said it was wishful thinking to suppose that the euro-zone's mainly centre-left governments would fulfil their part of the bargain and introduce free-market reforms to match the rate cut.

"The cut is not in line with the monetary policy

strategy of the European system of central banks," commented the Dutch bank ABN Amro, "and the hope that politicians will now live up to their tasks will prove to be an illusion."

The rate cut was larger than the 0.25 percentage point reduction expected by financial markets, and recalled a similarly surprising action last December when the ECB co-ordinated a rate cut in the countries about to adopt the euro to 3 per cent from 3.5 per cent.

The ECB may therefore acquire an early reputation for concentrating on problems of economic growth as much as on exchange rate levels or the pace of money supply growth.

The bank has already permitted a fall of 8 per cent in the euro's value against the dollar in the past three months, assisting European businesses which have struggled to maintain exports to the US, Asia and Latin America.

Some economists say a more direct focus on growth and a willingness to cut rates aggressively when necessary would place the ECB more in the tradition of the US Federal Reserve than the Bundesbank.

However, Mr Duisenberg said on Thursday: "With the greatest force I can put in my voice, I want to deny that we have changed our strategy in any way. We are not pursuing a cyclically oriented policy."

According to Mr Duisenberg, only a few members of the ECB's 17-strong policy-making Governing Council were reluctant to cut rates. Central bank watchers say these have included Italy's hawkish central bank governor, Antonio Fazio.

It is 100 days since the euro was launched. In a special report on Monday, the Financial Times analyses the single currency's progress and the impact of monetary union on the markets, the banking sector and European consumers.

Blair and Aznar in drive for jobs in Europe

By Tom Burns in Madrid

The UK and Spain will announce new job-creating proposals today at Chequers, the residence of the UK prime minister, where Tony Blair has invited his Spanish counterpart, José María Aznar, and his family for a country house weekend.

The declaration will focus on micro-economic policies and will take forward a joint statement in December that emphasised the need to liberalise labour, capital and product markets.

That statement, which was issued ahead of the Vienna summit, distanced the two governments from calls at the time in France and Germany for reflationary measures in order to boost jobs.

Officials said the new proposals would detail specific economic and employment initiatives dealing with job-friendly tax and benefit systems, decentralised negotiations on wages and working conditions and public investment in re-training and life-long education.

The Chequers weekend returns a holiday spent by the Blair family with Mr Aznar a year ago in the south of Spain and will serve to cement further the surprisingly similar political viewpoints of the Labour prime minister and Spain's centre-right leader.

Almost exact contemporaries and said to be increasingly close personal friends, they have made common cause with "third way" initiatives mixing market economics and socially progressive policies.

Other main issues to be discussed at Chequers concern the dispute between Britain and Spain over Gibraltar and the conflict in the Balkans, officials said.

Advertisement

Endowment Fund for Perpetual World Peace

WORLD'S WEALTHIEST CALLED UPON

The horrors of war being witnessed in Yugoslavia are creating fear in the hearts of everyone everywhere. This crisis is a challenge to the wealthy of the world to save their own wealth and the life of all the people in their nation.



His Holiness Maharishi Mahesh Yogi who introduced Transcendental Meditation to the world forty years ago, and opened the gateway of enlightenment to millions of people, has now established the Endowment Fund for Perpetual World Peace to forever free our world from the fear of terrorism, war, and destruction.

Today the UN has become a laughing stock, failing everywhere, and is ignored. So NATO has attempted to control the Yugoslavian situation with violence. But its bombardment has intensified the disaster, and created a new bloody history of the world. World peace is now in the hands of those with the power to destroy.

The danger to the world posed by NATO's bombardment is terrifying. It has set an example to every nation in the world—if you don't like another country, and they won't obey you, then bomb them and destroy them.

NATO has effectively legitimized the principle of foreign policy through violent attack. The result is that now bombardment can happen in any country in the world at any time. This is the reality—your city could be next. Therefore, can we wait even a single moment to establish world peace?

What is Happening in Yugoslavia Can Happen To Any Nation At Any Time

Can you imagine if bombs began to fall on Washington, D.C., and to destroy the high-rises of the money markets of New York? Will NATO be able to prevent this? When this happens it will be beyond the power even of the wealthy to save the situation.

When our house is in uncontrollable flames, it is too late to dig a well to get the water. Better to prevent the fire in the first place. A new approach to creating peace is urgently needed—one that prevents war. And if such an approach exists it must be tried.

Persuasion does not create peace—the UN has proven that. Violence does not create peace—NATO has proven that. In fact the whole human history has proven that neither of these approaches works.

So our choices are to accept war throughout the world as inevitable, or to do something new that really has been demonstrated to create indomitable world peace.

Peace Can Only Be Created By Taking Recourse to Natural Law

The way to do it is to take recourse to Natural Law. It is possible now to create a powerful influence of coherence inside and outside of any country with a group of experts in the technologies of Natural Law (such as Transcendental Meditation and Yogic Flying).

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The effectiveness of this approach has been demonstrated throughout human history and by many scientific research studies in the past 20 years in different small areas of the world. This approach will create such an integrated and harmonious world consciousness that violent thoughts will simply not arise, and there will be permanent world peace.

A German physicist Albert Einstein in 1939 proposed to President Roosevelt a weapon of mass destruction which was used to destroy Hiroshima, and has controlled the destiny of mankind ever since.

Now a young German scientist of this generation, Professor Volker Schenker, is proposing a new weapon of Natural Law which is non-violent

and peace creating—a technology of peace which every Head-of-State can use to make his country the Country of World Peace, and erase the memory of Hiroshima, and the present disaster of NATO.

The choice now for our generation is whether to go for destruction, or rise above destructive power, and go for the nourishment of all life on earth through the technologies of Natural Law.

The Wealthy Should Wisely Protect Their Own Wealth and the Life of the Nation

The wealthy leaders of society would be well advised to ensure that they do not become subject to the influence of destruction that their governments are creating in the world. Otherwise the destroyer will become the destroyed, and the people of the nation, and the wealth of the nation, and the life of the nation will be scattered to the winds.

The wealthy would be wise—for their own sake—to take advantage of the existence of proven technologies of peace. They should create an Endowment Fund for Perpetual World Peace to prevent terrorism and eliminate the fear of destruction. They should give 1% of their wealth to this Endowment Fund—thereby protecting the other 99% of their wealth—and simultaneously save the future of their country and the world. This is not only charity—it is self-insurance.

The Endowment Fund for Perpetual World Peace

The time is now to establish the Endowment Fund for Perpetual World Peace in response to the global demand of people everywhere for the creation of world peace.

The income from this Fund will be used by the donors for one purpose alone—the training and maintenance of a permanent force of experts in creating World Peace—who create peace not by talking or by bombing but by radiating peace from the level of infinite peace in the unbounded ocean of consciousness within every human being.

Creators of the Endowment Fund for Perpetual World Peace may create their own family endowment fund in their name, and contribute the annual income from this fund to supporting a group of experts in the technologies of Natural Law. Alternatively you may donate to the Maharishi Global Development Fund, which has established its own Endowment Fund for Perpetual World Peace, the income from which will support the peace creating groups.

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Write, Fax or E-mail to:

Endowment Fund for Perpetual World Peace

Maharishi Global Development Fund

Suite 7967

One World Trade Center

New York, NY 10048

United States

Fax: +1 212 321 9191

E-mail: expansion@maharishi-fund.org

Visit our website: www.globaldevelopment.org

INTERNATIONAL

IMPORT PENALTIES WASHINGTON RETALIATES AFTER EU BANANA REGIME RULED ILLEGAL

US to impose sanctions in banana dispute

By Nancy Dunne in Washington

Washington said yesterday it would impose 100 per cent tariffs on nine European products worth more than \$191m in US sales in retaliation for the European Union's refusal to reform its banana import regime.

The highest level of damages from the duties will be levied on France and the UK, as the two countries seen by Washington as most influential in maintaining the EU banana regime. They

were followed by Italy, Germany and nine other European countries.

The US trade representative's office released its sanctions list four days after a World Trade Organisation arbitration panel ruled that the EU banana regime was inconsistent with trade rules and damaged the US.

The US went to arbitration after two WTO panels upheld its complaint against the EU banana regime. The EU had changed its banana import rules, but only cos-

metically, the panel said.

With no appeals left on the US case, the US can now legitimately impose sanctions. US officials have said these would be lifted if the EU changed its banana regime in a way which does not discriminate against US exporters. The EU indicated last week it would comply with the WTO ruling.

Meanwhile Charlene Barshefsky, US trade representative, yesterday said the US victory on bananas indicated that there may not have to

be "a radical revision" of the WTO dispute settlement system that had been considered for the next round of trade negotiations.

"This (ruling) demonstrated that once the period of arbitration has run out you can go to an arbitral panel and say, 'I want to exercise my rights on the day compliance is due. Can you assess the information for me?'" she said. "Within a relatively short period of time, the original panel was able to do this work. That

makes the system more efficient. It actually does work."

The WTO panel slashed US estimates of lost trade opportunities from \$520m to \$191m. This required Washington to remove threatened products from its sanctions list, such as cashmere sweaters from Scotland.

Ms Barshefsky said she had "obviously" hoped to see higher levels of damage, but had always said: "We will take the (damage) numbers that are given to us."

The products on the list

are: bath preparations, mostly from the UK; handbags from France and Italy; uncoated felt paper and paperboard in rolls, folding cartons and boxes and lithographs, mostly from the UK; France and Germany; bed linen, predominantly from France and Italy; batteries from the UK and France and electrothermic coffee or tea makers, mostly from Germany. Also affected are Austria, Belgium, Finland, Greece, Luxembourg, Portugal, and Sweden.

OECD code to safeguard shareholders

By Jane Martinson, Investment Correspondent

A set of corporate governance principles designed to protect the rights of shareholders was published by the Organisation for Economic Co-operation and Development yesterday.

The principles, the first to attempt intergovernmental agreement on the issue, are non-binding on the 29 member states of the OECD.

However, they have won the initial support of international groups such as the World Bank and International Monetary Fund.

Joanna Shelton, OECD deputy secretary-general and chair of the taskforce set up to tackle the issue, suggested they could also be used as best practice guidelines by the IMF in negotiating debt relief packages.

The IMF is also looking at how they can incorporate these principles as part of their own work," she said. OECD ministers are expected to agree the principles next month.

The OECD's work has been criticised for favouring an Anglo-American shareholder approach.

Bob Garratt, who has helped draft corporate governance principles for the Commonwealth Association, said: "The problem I have with the OECD code is that it assumes that all countries have fairly sophisticated stock markets."

But Ms Shelton denied that the OECD's work was an attempt to "force Anglo-Saxon principles down the throat" of others.

Support for shareholder rights, fair treatment for all shareholders and greater disclosure were being taken up by such countries as South Korea and India, partly because of "self-interest".

"What we are seeing is a growing convergence over what countries are doing both within the OECD and without because of globalisation and the extent to which investors are looking all around the world," she said.

The report stresses that "there is no single model of good corporate governance". It deals with the issue of stakeholders by saying that corporate governance should "recognise the rights of stakeholders as established by law and encourage active co-operation between corporations and stakeholders".

Zhu faces opposition to WTO entry

By James Harding in Shanghai

The Clinton administration's approval of China's bid to join the World Trade Organisation - when it finally comes - still looks likely to be a hard sell on Capitol Hill. Enthusiasm in the US Congress for the policy of engagement with China, mixed at the best of times, has been badly dented by recent evidence of China's theft of US nuclear secrets, a growing trade imbalance and Beijing's disregard for human rights.

But, then, Bill Clinton is not the only one who knows the battle is only half-won once the US and Chinese negotiators finally wrap up an agreement. Zhu Rongji, China's prime minister, arguably faces an even more entrenched opposition at home to Chinese market liberalisation heralded by WTO entry.

As Mr Zhu faces increasing resistance from within the bureaucracy and the state sector as he seeks to press ahead with industrial restructuring, a WTO agreement will only further test Chinese stomach for economic reform and, in the process, the popularity of the prime minister.

A recent article widely attributed to a Chinese government official and published on a dissenting Chinese website - Tunnel - offered a taste of the resentment harboured by many people towards entry into the world trading system and the fears of what WTO entry could do to Chinese industry.

"Even if China joins the WTO as a developing country, it would still be very dangerous. The grace period [in which China has to open areas of its market to foreign competition] is in fact just a suspended sentence before developed countries come to destroy the industries of developing countries," the article said.

At many state industries, officials do not express such worries about China joining the WTO. Not because they have no concerns about international competition, but because they simply do not believe Mr Zhu will tear away - or have the backing within the government to be able to tear away - the protectionist measures that fence off the Chinese market from foreign rivals.

One official at the Shanghai branch of the Industrial and Commercial Bank of China (ICBC), one of China's big four technically insolvent state banks, says: "I don't think this is a good time for Chinese financial institutions to have to face up to the challenge coming from WTO entry."

If China does agree to enter, "of course, there will have to be some favourable treatment to the big four banks".

Similarly, in Heilongjiang province in the northern corner of China, an official at the agricultural commission said he thought Beijing could not endorse opening the market to foreign farm goods: "The price of agricultural goods has just kept falling this year and farmers' incomes have fallen even lower. The situation would worsen if China entered the WTO... I don't think we can totally open the market."

At a range of other big state companies, such as Hongta Tobacco, China's leading cigarette maker, to Capital Iron and Steel, one of its largest steelmakers, foreign competition is seen as a threat to business and, ultimately, jobs.

Dong Tao, analyst at Credit Suisse First Boston in Hong Kong, notes: "There has been a significant change in stance at the top of the Chinese leadership [towards WTO membership], but whether it goes down well at the bottom of Chinese society is another matter."

BA flights aim to boost UK's Cuba business

By Pascal Fletcher in Havana

British Airways formally inaugurates a new weekly London to Havana flight this weekend in what UK trade officials are portraying as a boost to Britain's efforts to catch up with some of its European Union partners in pursuing trade and investment opportunities in Cuba.

Accompanied by a delegation of British businessmen, bankers and financiers, Brian Wilson, UK trade minister, was due to hold talks with Cuban ministers before formally welcoming the new BA flight today.

Mr Wilson, making his second official visit to Cuba in less than six months, is spearheading British efforts to upgrade trade and investment ties with the communist-ruled Caribbean island, including the possibility of resuming British government-funded export credit cover.

The British delegation included a representative of Britain's Export Credits Guarantee Department (ECGD), who was due to continue discussions on how to resolve the issue of Cuban short-term debt arrears.

The UK minister's visit indicates that EU countries are adopting a "business as usual" approach to Cuba despite their sharp public criticism of the communist

government's jailing last month of four prominent political dissidents.

"I firmly believe that trade and investment are part of the process of bringing Cuba closer to Europe... that is the way to influence and create more liberal societies," Mr Wilson said.

Since the dissidents were jailed more than three weeks ago, Cuba has hosted visits from at least five high-ranking government officials from Europe.

These have included Michele Dessimone, France's deputy tourism minister, who witnessed the launch of a \$52m hotel investment deal, and Joaquim Pina Moura, Portugal's economy minister, whose visit coincided with the signing of bilateral trade and investment co-operation accords on Thursday.

During Mr Wilson's stay in Havana, Britain's Caribbean Trade Advisory Group was due to sign a co-operation agreement with Cuba's Foreign Investment Ministry aimed at promoting bilateral business opportunities.

The level of British trade and investment in Cuba has lagged behind that of Spain, France and Italy, but UK exports to the island in 1998 rose to £24m (\$35m), an increase of 73 per cent over 1997.



Shintaro Ishihara, the favourite, campaigning in Tokyo. The rightwing former minister and novelist wants to turn a US airbase into an international airport for Tokyo

Troubled Tokyo looks for a man of action - and honour

Japan's capital has plenty of worries - about money, garbage and the homeless - and no shortage of candidates for governor offering some radical solutions to voters

By Michio Nakamoto in Tokyo

The decorated vans are parked outside railway stations, in shopping streets and beside public halls all over Tokyo. The hands wave to passers-by. The microphones blare.

"To stimulate the economy, I would set a specific limit for legislation to make housing investment tax-free," vows Shintaro Ishihara, best-selling novelist and former national politician.

Tokyo's riverbanks "should not be covered with concrete but we should turn them into places where families can have barbecues," suggests Kazuo Hatoyama, a former education minister.

"I have an invention that will reduce pollution from diesel and (solve) the garbage problem," promises Doctor Nakamatsu, inventor of the floppy disc.

Tomorrow's election for governor of Tokyo means Tokyoites are being fed a surfeit of campaign pledges by the 19 candidates.

Japan's capital has no shortage of problems, reflecting in microcosm the difficulties and anxieties faced by a nation undergoing momentous economic and social changes.

The list of problems the new governor faces is daunting: a budget deficit of ¥800bn (\$81bn), outstanding bonds of ¥7,100bn which will have to be serviced by future

generations and grand building projects that are costing ¥15.3bn a year in maintenance.

The city's problems are not restricted to its finances. What should be done about the garbage that will soon exceed incinerator capacity? How best to handle the rising number of homeless people living in subways? Who will take care of the growing number of old people unable to afford private care? What can be done about crime?

Like New Yorkers in the early 1990s, the citizens of Japan's largest city are

looking for a strong leader who can not only answer these questions but appears most capable of carrying out his promises.

After four years under Yukio Aoshima, a governor who appeared to bend to the bureaucrats' wishes and disappointed Tokyoites on most counts, the city is ready for a man of action. And on the leadership front, Mr Ishihara, the man who is best known for his controversial but best-selling book "The Japan That Can Say No," leads the pack.

Mr Ishihara is ahead of his rivals in every poll, with

more than 20 per cent of those surveyed supporting the former Liberal Democratic party transport minister. Most analysts believe only Mr Ishihara has a chance of winning the 25 per cent of votes needed to be elected without a second round run-off.

His popularity may seem surprising, given the Japanese public's generally pacifist trend.

"We should reorganise the (Self Defence Forces) into an independent military force," Mr Ishihara told a magazine last year.

He is openly sceptical of

through capital and technology. In a sense, Japan has indirectly conquered them," he has said.

Mr Ishihara also believes Japan should retain the capability to develop nuclear weapons. He voted against Japan joining the nuclear non-proliferation treaty because "I did not think it wise to totally blind Japan. I think it is important for Japan to develop technology it could use for peaceful purposes which provides the possibility to develop nuclear weapons if it becomes necessary," he said.

While the Tokyo governor does not have authority over national policy, the ruling party will find itself on the defensive, given his pledge to say No to the central government on issues ranging from the environment to fiscal policy.

Closely, the two candidates best placed to upset his lead, Kunio Hatoyama and Yoichi Masuzoe, provide a stark contrast to Mr Ishihara's aggressive rightwing image and are popular mainly for their stance on welfare and environmental issues.

Although all the polls point to a win for Mr Ishihara, Japan's urban voters are notoriously unpredictable and one quarter of those polled have indicated they have not made up their minds.

It is not yet certain that Tokyo will say Yes to the man who likes to say No.

Like New Yorkers in the early 1990s, the citizens of Japan's largest city are looking for a strong leader

Modest rise in US producer prices

By Gauran Malkani in Washington

The US Labor Department said yesterday its producer price index (PPI) rose mildly by a seasonally adjusted 0.2 per cent last month, following a 0.4 per cent drop in February and a 0.5 per cent rise in January.

During the first quarter of 1999, the finished goods price index rose at a seasonally adjusted annual rate of 1.5 per cent - the same as the upward rate during the fourth quarter of 1998.

The 0.2 per cent increase in March includes a 1.2 per cent rise in energy costs, driven by a 13.1 per cent jump for home heating oil - its largest increase in five years - and a 3.6 per cent rise for petrol. However, excluding volatile food and energy prices, the index remained flat for the second consecutive month, suggesting inflation is still absent from the US economy.

The figures were marginally below analysts' expectations, triggering a slight rise in bond prices.

Last month the Organisation of Petroleum Exporting Countries (Opec) announced cuts in oil production. But David Greenlaw, economist with Morgan Stanley Dean Witter, said energy consumers were not yet seeing the full effect on prices.

"For the most part, the sampling for the PPI is conducted in the early part of the month and thus this report captured only the initial impact of the recent elevation in oil prices."

Ian Shepherdson, with High Frequency Economics, said: "This means that next month will see a huge increase in PPI energy prices."

Drug may help stroke victims

By Victoria Griffith in Boston

A drug with the potential to reverse the damage in stroke victims has been deemed a success in Phase II human trials, according to a presentation to be made today at the European Stroke Meeting in Venice.

Abciximab, which inhibits the formation of platelets in the blood, proved effective in patients even when given up to 24 hours after the onset of a stroke. This timeframe is significant, because many patients do not notice they are having a stroke for many hours after it has begun, when it reaches a critical stage.

The clinical study showed 35 per cent of patients treated with any dose of abciximab had minimal or no disability three months after treatment, compared with 20 per cent who received a placebo.

Abciximab is already approved for use in heart attacks. It was developed by the US biotechnology company Centocor and is marketed by Eli Lilly, Centocor said it was too early to claim the product had no side effects, but that initial data were encouraging. The drug will be subjected to a larger scale study before application for approval is made.

Strokes can cause permanent neural damage by blocking the flow of oxygen to the brain. Often, doctors prescribe nothing more than bed rest and aspirin. Activase, a drug made by the US biotechnology company Genentech, can limit the progression of the stroke by opening up the major artery to the brain. However, this drug must be administered within three hours after the onset of symptoms.

Net starts to close on Argentina's ageing generals

The babies taken from women who 'disappeared' under the seventies junta are now discovering their true identity. And the former military rulers are discovering that justice is catching up with them. Ken Warr reports

The old men appear to have some difficulty remembering. Former military dictator Leopoldo Galtieri, who led Argentina into the disastrous 1982 Falklands conflict with Britain, was called to testify this week about his knowledge of baby kidnappings during the military government that ruled from 1976 to 1983.

Mr Galtieri, 73, was only the latest witness called in a series of judicial investigations into the alleged abduction of babies born to mothers held in clandestine detention centres by the military.

The case in which he was called was launched by a young woman, Maria Carolina Guasman, who discovered last year she was the daughter of a couple kidnapped in 1977 by a military squad in San Felipe province and never seen again. Mr

Galtieri, head of the army in the province at the time, told the judge he had "no recollection" of the incident or couple in question.

Mr Galtieri left the courtroom by a side door to resume his self-imposed silence over both his rule and Argentina's "Dirty War" against its ideological opponents, in which 15,000-30,000 people disappeared. He has not been charged in connection with the case.

Many of his former colleagues have not been so lucky. Judge Alfredo Bagnasco, who leads the biggest single investigation into the baby kidnappings, has ordered the arrest of eight former members of the military leadership, including former de facto president Jorge Videla and Reynaldo Bignone, and former head of the Navy Emilio Massera.

More arrests are on the way.

Mr Bagnasco said.

For Mr Bagnasco, the case is a test for the country's much-criticised judicial system. Along with the long-running investigation into the IBM-Banco Nación bribes scandal, which he also heads, it demonstrates that the country's rich and powerful cannot act with impunity, he maintains. Despite initial fears of military retaliation, the current chiefs of the armed forces have publicly backed the investigations.

Mr Bagnasco's investigation, which began in early 1997, has looked at 194 cases of theft of babies and suppression of their true identities. Most of the children were illegally offered for adoption to families with military or police connections.

Many of the victims, now young adults, have faced

severe personal crises on discovering their true parentage. Some have stuck by their adoptive parents and refused to undergo DNA testing to confirm their real identity. While the adoptions were all illegal, at least some of the adoptive parents were acting in good faith, with no knowledge of the child's origins, according to Mr Bagnasco.

Medical staff at the detention centres were sworn to secrecy and no record of the births has come to light. Much hinges on whether there was a systematic plan to snatch the newborn infants, which would push the kidnappings into the realm of human rights abuse, rather than isolated, if terrible, crimes.

For Mr Bagnasco there is no doubt. "Pregnant prisoners were singled out for bet-

ter treatment," he said, with better food and conditions than other prisoners, until the moment they gave birth. "Then they were killed."

Argentina's military leaders were convicted and jailed for human rights abuses in 1985. But Mr Bagnasco argues that pardons subsequently granted by President Carlos Menem do not cover crimes against children, and that the offences are "ongoing", and not subject to the statute of limitations.

It has come as a shock to Argentines to see many of the men who ruled the country so ruthlessly again rounded up and imprisoned, starting with the arrest of Mr Videla last July. Now elderly and often frail, most are being allowed to serve out their preventive custody under house arrest. They profess no knowledge or rec-



Galtieri pictured in 1982. 'No recollection of abductions'

collection of the baby snatchings.

Mr Bagnasco said the investigation had two clear aims. "The first is the possibility of making reparation to wronged individuals. The second is to allow society to know as much as possible about what happened in those terrible years."

The old men are likely to be asked to dig deeper into their memories.

Nationalist leader talks of Scotland in euro zone

IRA men released as tension mounts

INDEPENDENCE REFERENDUM PROMISED

Nationalist leader talks of Scotland in euro zone

Financial Times Reporters in Edinburgh

A Scottish Nationalist party administration in Edinburgh would aim to hold an early referendum on independence, and could establish a separate Scottish currency while it seeks to take Scotland inside the euro zone, Alex Salmond, party leader, said in an interview with the Financial Times yesterday.

An administration run by his party would continue to hold referendums on independence even if Scots rejected leaving the UK in earlier plebiscites. The SNP is challenging the governing Labour party for control of the parliament in the election on May 6, although no party may secure a working majority because of the proportional voting system.

Asked whether an SNP administration would seek to hold a referendum on independence six months after May 6, Mr Salmond said: "Yes. If we have an absolute majority of seats and votes we would ask Westminster to negotiate. We wish to see a referendum as soon as possible." He stressed that the referendum would follow negotiations with the government in London.

He said the "likelihood" was that the SNP would be the biggest party in the new parliament but without a majority.

"I am absolutely convinced if we emerge as the largest party we will be able to get the support to hold a referendum... Whichever party emerges as the largest party, will have the moral

authority to govern." When Queen Elizabeth opens the new parliament on July 1, she will wear a day dress and neither she nor anyone else will wear robes. The UK government yesterday gave details of an opening ceremony it said would merge traditional and modern elements.

The Duke of Edinburgh and Prince Charles are likely to be the only other members of the royal family present. The Queen will make a speech declaring open the first Scottish parliament for nearly 300 years but, unlike the opening of the Westminster parliament, she will not outline the legislative programme. This will be done by the first minister, Scotland's prime minister.

Shipyard workers, politicians and government officials in Scotland are bracing themselves for the possibility that Kvaerner, the Anglo-Norwegian engineering group, will announce next week it is putting the Kvaerner Govan yard in Glasgow up for sale.

The yard, which has lost money almost continually since Kvaerner bought it in 1987, is thought almost certain to be one of the casualties of the worldwide restructuring of its activities which the London-based company will announce on Tuesday. It has 850 direct employees and a further 350 contract employees.

Kvaerner said yesterday the announcement on Tuesday would be "fairly radical". The final decision will be taken on Monday.

A blow for Scotland, Page 7



Mobile phones called in for health check

Team of radiation experts to investigate supposed risk to users, Alan Cane writes

Mobile phone manufacturers across Europe are likely to watch with interest the UK government's attempts to investigate formally the supposed risk to health from the use of such phones.

The National Radiological Protection Board was yesterday hastily assembling a team of radiation experts in response to the demand from Tessa Jowell, health minister, for more information about the relationship, if one can be shown to exist, between health and mobile phone use.

It is likely the group will publish its preliminary recommendations with some speed, acknowledging government recognition that public anxiety over possible risks from mobile phones is growing. The chief concern, encouraged by a flurry of anecdotal evidence, is that prolonged use of mobile phones can cause ailments ranging from brain tumours to memory lapses.

Last weekend, a team at Bristol University in south-west England, published research suggesting that use of older style analogue phones can accelerate human reaction times. If the

work is confirmed, it will be the first hard evidence that radiation from mobile phones can affect the human brain.

It should be pointed out, however, that the research sample was small - only 36 volunteers - and that the effect was not observed with digital phones which are now the dominant variety in world markets.

Concern over mobile phones is also being driven by their huge popularity. It is expected that more than one in every two Britons will own a mobile phone by 2003. Mobile networks are becoming the communications of choice in developing countries.

Governments are therefore right to be concerned about any health risk from these ubiquitous devices. The physics is well understood: mobile phones transmit and receive microwave radiation which is known to have a heating effect on living tissue. A microwave oven works on the same principle.

An oven, however, typically emits 600 watts. A mobile phone emits a mere watt or less. The NRPB is obliged to warn the government of potential

radiation dangers - it was instrumental, for example, in drawing attention to the connection between excessive exposure to the sun and skin cancer.

Dr Michael Clark, its scientific spokesman, says: "We are as certain as we can be that there are no serious consequences from using mobile phones; what we do not know is whether there are as yet unrecognised subtle effects."

The board recommends a limit of 0.1 watt of power absorbed in any 10 grammes of tissue in the head and says that all phones in use in the UK comply with this limit. Dr Clark's analysis, however, sums up the problem that Ms Jowell's expert group will face in combing through the literature. There is plenty of it. The UK Federation of Electronics Industry, representing most of the mobile phone manufacturers operating in Britain, says 78 studies have been carried out by companies and at least 14 by governments.

In Finland, for example, which is top of the world league for mobile penetration with almost six in every

10 citizens owning a handheld phone, a study carried out at the Finnish Centre for Radiation and Nuclear Safety concluded there was no risk to human health although brain tissue converted microwave radiation into heat. The study was partly funded by the telecoms industry.

Ericsson, the Swedish group which is a world leader in mobile phone manufacture, observes: "We conclude that the compiled results of many years of international research do not show that the electromagnetic fields generated by radio base stations and mobile telephones cause any risk to health."

Nagging doubts remain, however, that our knowledge of the question is incomplete; that studies have been insufficiently rigorous and that microwaves could impair brain function in ways which we do not understand.

The NRPB and the FEI this week both welcomed Ms Jowell's call for better information. For the moment, however, slight modifications to today's phones could significantly reduce radiation absorbed by the brain.

IRA men released as tension mounts

By John Murray Brown in Dublin

The Irish government yesterday released six Irish Republican Army prisoners in a clear attempt to counter mounting republican opposition to last week's British and Irish initiative to end the impasse over terrorist arms.

The six included a man extradited from the US in the 1980s and sentenced to life imprisonment for killing an unarmed London policeman in 1975. The Police Federation of England and Wales protested: "Life should mean life for anyone convicted of killing a police officer. Anything else is outrageous and shows how cheap life is."

The releases come amid strains between the Irish government and Sinn Féin, the IRA's political wing, with senior republicans openly criticising Bertie Ahern, the Irish prime minister, for demanding IRA decommissioning before Sinn Féin members can become ministers in the new administration for Northern Ireland.

With parties due to reconvene on Tuesday in Belfast, Northern Ireland's principal city, both the IRA and the outlawed anti-nationalist Ulster Volunteer Force have indicated they are not willing to make a gesture by decommissioning a small amount of arms.

Mark Durkan, assembly member for the moderate Nationalist Social Democratic and Labour party, said Tony Blair's call for a period of reflection "has turned into a period of rejection".

Sinn Féin are always telling us that the two governments have a key role as the arbiters and enforcers of the agreement and have to move things forward when there is deadlock, and when the governments have tried to do that, Sinn Féin have been first in the rejection stall," he said.

Martin McGuinness, Sinn Féin's chief negotiator on the weapons issue, said yesterday's release of the six prisoners was not linked to the arms dispute. However some of the men released yesterday are known to be strong supporters of the peace process.

Race is on for first baby of century

By David Pilling in London

Women who want to give birth on the night of the millennium celebrations are being told that today is the best day for conception, and there is some evidence that they are taking the advice. Hospitals are warning about staffing shortages as well as the "millennium bomb" computer problem, which could disable sensitive equipment such as heart monitors.

Egged on by a frenzied media, couples are racing to produce the ultimate Millennium Child. Anecdotal evidence suggests this may be more than hype. In the UK, the Tesco retail chain points to bare shelves once lined with folic acid and vitamin supplements for would-be mothers. Women have been emptying pharmacies of pregnancy testing kits and ovulation indicators.

In Malaysia, one romantic hotelier is offering hopeful couples a discounted room. Included in the one-night stay are breakfast in bed and a herbal concoction said to drive men wild with desire.

The race has even penetrated hyperspace. An internet company is canvassing women prepared to give birth live on the worldwide web as the century slips away. And in Boston, a local radio station is offering \$1m to the couple that produces the city's first millennium baby by natural means.

That is the problem, says John Malvern, consultant obstetrician to Queen Charlotte's hospital in west London. "Women may elect to have Caesarian sections at the stroke of Big Ben," he says. "Or they may induce their babies early."

Dr Malvern believes the state health service in the UK should not co-operate with such requests. "All our staff want to celebrate the millennium - but preferably not in a labour ward. There is a shortage of midwifery and medical staff and this could cause problems."

Even if not born on the stroke of midnight, millennium babies could produce a temporary blip in the birth rate, says Peter Tompkins, partner at PwC, the accountancy firm. Like the US baby boom of the 1950s, the surge "could produce economic distortions".

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One hundred days of the euro

Raise a glass: this is the euro's 100th day. But be careful. The champagne may be rather flat.

Much of the optimism that accompanied the launch of the new European currency has been lost, as the euro-zone economy sagged, the euro slid 10 per cent against the dollar, and the European Central Bank became embroiled in an unseemly war of words with European politicians.

But there is room for celebration as well as mourning. The euro was launched without too many of the hitches some observers feared. Moreover, Thursday's interest rate cut is reason enough to pop a cork.

The ECB's decision to lower interest rates by half a percentage point shows that Wim Duisenberg, president of the ECB, and his colleagues are not bent on deflation nor oblivious to the importance of growth and demand.

On economic grounds, the cut should have come sooner. This delay - despite 0.5 per cent inflation and a measurably weakening economy - was probably the result of an intervention on the part of the German government which ultimately proved unhelpful. Oskar Lafontaine's decision to throw in the towel allowed the ECB to cut rates without appearing to bend to political pressure.

Unfortunately, Mr Duisenberg spoiled the party by announcing that the move was designed to surprise the financial markets. This is a poor way to conduct monetary policy. He also insisted that this would be the ECB's last cut during this cycle. "This is it" is an unhelpful thing for a central banker to say. If the euro-zone remains flat on its back, as seems likely, the ECB will have to cut rates further.

Monetary targeting

But at least the ECB's action showed that it will take into account the state of the real economy in its decision-making. Despite the rhetoric about monetary targeting, its decision was based squarely on the outlook for inflation and the low level of capacity utilisation. Indeed, the ECB in this regard looks very much like the German Bundesbank, which talked a good monetary game but was far more pragmatic in private. Revelling in surprises also reflects Bundesbank practice, as does the lack of transparency which makes surprises easy.

Another similarity with the Bundesbank is that, compared with the US Federal Reserve, the ECB clearly places greater emphasis on the risks of inflation.

tion, rather than the prospects for growth. This contrast was highlighted this week when Alice Rivlin, number two at the Fed, mused that the relationship between growth, unemployment and inflation may have fundamentally changed (to allow more of the first and second, with less of the third). And the contrast with the monetary activism of the Bank of England, cutting rates this week for the sixth time in seven months, is also striking. So Europe has a new Bundesbank, much as was expected. Is this a good thing?

Great success

The Bundesbank certainly kept inflation under control. More than any other central bank, it led the fight against inflation in the 1970s, with great success. But how well the German model is suited to the conditions of the 1990s is a different matter.

With inflation subdued, the central question becomes an assessment of the scale of the trouble facing the real economy. The answer is serious. Whereas the US economy has weathered problems in the international economy thanks to strong domestic demand, euro-zone growth has collapsed. Domestic demand is sickly. Across much of the European economy, business confidence and investment are terribly weak.

Germany, one third of the euro-economy, is particularly badly affected. Industrial output has faltered, consumer spending is depressed, and the risk of falling into deflation is great. (Germany, remember, was supposed to be the engine of growth in the euro-zone.) Italy, a further 18 per cent of the euro-economy, looks similarly soggy.

An interest rate cut will help. Further cuts may be needed. Real short-term rates are still comparatively high in countries where there is no inflation.

But monetary easing alone will not cure Europe's economic ills. For too long European politicians have avoided the difficult liberalisation needed to unleash enterprise and help unemployment to fall below the euro-zone's 10 per cent.

Before the coming of the euro, politicians claimed that preparing for its launch took up all their time. Since its launch, too many have been preoccupied with second-guessing the ECB. Now, with its first interest rate cut, the ECB has shown a degree of co-operation. It is time for governments to play their part. If monetary union brings real economic reform, that really will be a reason to drink a toast.



After little more than two weeks of campaign, the war in Yugoslavia is nearer any conclusion. Perhaps that is not surprising, but it seems that the bombing goes on, the harder it is to see how it will finish.

Is this - to apply a chess term to the deadly combination of Serbia's medieval programs and Nato's hi-tech strikes - the endgame? Possibly. President Slobodan Milosevic has produced two peace overtures in the past 10 days. Nato has rejected both. But the Yugoslav leader might be lucky this time.

Or is it still the middlegame? Mr Milosevic's decision to switch from pushing refugees out of Kosovo to stopping any more leaving may signal a determination to fight it out in the province. Because of Nato's bombing, his forces there are increasingly cut off from the rest of the country. But with at least some ethnic Albanians surrounding them, they become a more delicate target for Nato to attack. On the Nato side, General Wesley Clark, the allied commander, is said to plan bombing for at least two more weeks, and to want more planes to do this.

How long the war lasts is of most vital concern to the front-line combatants - that is, to the pilots of the 450 allied planes, to the entire Yugoslav military and, especially, to the 40,000 army and police in Kosovo, and the several thousand Kosovo Liberation Army guerrillas still sniping away. It is also vital to those non-combatants directly in the line of fire: the 1m ethnic Albanians still left in Kosovo, and increasingly the 9.5m Serbs and Montenegrins.

But the duration of the war also concerns the refugee diaspora of more than 800,000, as well as the Albanian and Macedonia governments and international aid agencies trying to care for them. The ripple effect of war has now extended to the entire Balkan region, chiefly through Nato's bombing of bridges over the Danube, which has blocked transit along one of Europe's main waterways.

The key to a rapid end to the war lies in the hands of one man. Mr Milosevic. This is not just Nato propaganda, but a reflection that as a one-man autocrat he has the ability to change his tune suddenly in the way the 19-nation Nato alliance does not have.

After a confused patch when the bombing first started, Nato now seems to have reached a consensus on its demands - withdrawal of all Serb forces from Kosovo to let all refugees back in escorted by Nato troops. Such an allied consensus would be hard to unpick.

Nor are Nato's commanders under any overwhelming external pressure to change tack. Support for the operation in the west has continued to be strong. Kofi Annan, the United Nations secretary-general, yesterday endorsed Nato's demands, virtually word for word.

Russia still denounces Nato bombing, including yesterday's hints that it might renege its nuclear missiles on Nato belligerents in the Balkans and even be provoked into sending troops to Serbia's aid. "I told Nato... don't push us towards military action," said President Boris Yeltsin. "Otherwise there will be a European war for sure - and possibly world war."

But more impressive than this bluster is the Russian desire to

broker a peace deal. Despite China's condemnation of Nato, its prime minister Zhu Rongji has calmly gone ahead with his visit to Washington.

What is clear is that Nato has overwhelming military strength. If not determination. It has the capacity to win. The question is how. Consider four possibilities.

A voluntary cave-in by Mr Milosevic to Nato demands. This is not very plausible. At the start of the bombing on March 24, there were some insiders, notably Madeleine Albright, the US secretary of state, who thought that a few barrages of cruise missiles would bring the Yugoslav leader to his senses. But Mr Milosevic and his military knew what initial attacks to expect, because in last October's brinkmanship General Clark actually showed them the Nato target list. And in his last exchange with Richard Holbrooke, on March 22, Mr Milosevic told the US envoy he knew he would be bombed.

But Mr Milosevic has made two peace overtures already so it makes sense to ask what would happen if he suddenly accepted Nato terms. That would catch the alliance without the 28,000-strong peacekeeping force it plans to put into Kosovo. At present, it has less than half that number of men in Macedonia. Therefore, the return of ethnic Albanian refugees would have to await assembly of the Nato peacekeeping force. However, capitulation by Belgrade might trigger an exodus of the 200,000 Kosovo Serbs into Serbia proper. Earlier this week Nato intelligence reported the movement into Serbia of some 30,000 refugees, without being able to say whether they were Serb or Albanian.

An involuntary cave-in by Mr Milosevic in circumstances in

which he refuses Nato terms, but is militarily incapable of offering real resistance to allied troops entering Kosovo. This first part of this scenario is plausible. Nato has been slow to score any successes against Serb forces in Kosovo. But the destruction of rail and road bridges into the province render these forces increasingly hard to reinforce.

Wearing away Serb resistance could take several weeks, increasing the plight of all civilians in Kosovo caught in the crossfire. By this time, Nato might have its Kosovo peacekeeping force (KFOR) in place in Macedonia, and ready to go. But, for political as much as military reasons, Nato might not want to walk "uninvited" into Kosovo.

A prolonged war of attrition in which Mr Milosevic refuses to surrender, and Nato's air campaign is seriously hampered by cloud cover, by the proximity of Albanian civilians to Serb force concentrations, and by the Serbs hiding their armour and weaponry from air attack.

The Albanians who remain in Kosovo would suffer the most from a prolonged war. They are already running short of food in areas of the country where there has now been more or less constant fighting between KLA and Serb forces for more than a year. It would also be one in which the rest of Yugoslavia would suffer most.

For all its vaunted focus on military or strategic targets, Nato might vent frustration over setbacks in Kosovo on the rest of the country's general infrastructure, which has already taken a hammering. Not only bridges, oil refineries and depots have been

hit, but after Wednesday's attack on the Lucani chemical plant came another attack on Kragujevac's Zastava car factory because it has a sideline making small arms. At this rate, Serbia risks being returned to a rural economy.

An "opposed" invasion by Nato ground troops. This is still the least likely scenario. Robin Cook, Britain's foreign secretary, was yesterday echoing the public line of all 19 allies in flatly saying that such an invasion "is not going to happen".

But two-and-a-half weeks of conflict have seen a change in public views on this issue. Opinion polls now show majority support for sending ground troops in as a last resort, not only in Britain and France, but also in non-belligerent allies like Denmark and, most importantly, in the US. A bipartisan delegation of both Houses of Congress has just returned from a trip with William Cohen, the defence secretary, to allied air bases in Italy with a recommendation to President Clinton and other allied leaders that the planning for ground troops should start.

This puts Nato leaders in the curious, and not uncomfortable, position in which, if they were to switch tack, they would be following, not having to lead, public opinion.

But public opinion can be fickle. Growing support for the dispatch of ground troops is partly rooted in the widespread criticism of allied leaders for so firmly ruling that option out, thereby giving Mr Milosevic one less factor to worry about in his game of bluff and counter-bluff. If Nato were now to change its mind, and begin assembling a ground force, support for its actual use might wane.

LETTERS TO THE EDITOR

Forgotten returns among refugees

From Ms Wendy Rappaport.

Sir, Your article "The land of no return" by Marc Champion (FT Weekend April 4/5) presents a skewed picture of refugee returns in Bosnia and Herzegovina. While it is true that return of one nationality to areas under the political control of another nationality has indeed proven difficult, Mr Champion fails to draw a complete picture of country-wide returns. The statistics provided in the article include only people who have returned to areas where they would be in a minority, not, as the author states, all that have been able to return.

Bosnia is composed of two entities: the Bosnian Serb Republic and the Federation (under Bosnian Muslim and Bosnian Croat control). Since the signing of the

Dayton Peace Accord in December 1995, more than 11,000 Croats and Bosnian Muslims have been able to return to the Serb Republic, and 66,700 Serbs, Croats and Muslims have returned to areas where they are in the minority in the Federation. This amounts to nearly 80,000 persons, the figure given as referring to all returns.

However, out of a total of over 2m people who fled from (or were displaced within) Bosnia during the 1992-95 war, Mr Champion neglects to mention that the stability and relative peace procured by the Dayton Accord has enabled 580,000 refugees to return. The United Nations High Commissioner for Refugees indeed expects more returns in the foreseeable future.

Despite the current events in the Federal Republic of Yugo-

slavia which have heightened tensions throughout the region, especially in the Serb Republic, people have continued to return to their homes, both to majority and minority areas. In addition, both entities have recently passed binding property laws that enable returnees to regain legal rights to their homes, a process that has just begun.

The momentum towards return that has been generated by hundreds of thousands of determined Bosnians, supported by the international community for the past 3½ years, cannot be so easily cast aside, nor should we begin to write off the desires of all those whose most fervent wish is to return home.

Wendy Rappaport,
UNHCR Sarajevo

Information is just what the patient ordered

From Mr John England.

Sir, A good piece by David Pilling ("Just what the patient ordered," FT Weekend, March 20-21) about advertising prescription drugs in the US. But I wonder when he last visited a German GP?

Doctors elsewhere in Europe may still "hide" their prescribing decisions behind an invulnerable demeanour and illegible handwriting, but the German variety do not.

First, our family doctors (my wife and I visit different GPs) always discuss their prescriptions with us in detail.

Second, they punch their prescriptions into a PC and hand us a quite legible printout to take to the chemist. The only handwriting on their prescriptions is their signatures.

True, the latter usually are indeed illegible, but scribbled sign-offs are also common outside the medical profession.

Our "vulnerable" GPs also are by no means exceptions in Germany. I suggest David Pilling should drop by here, bring a (slight) cold with him, and experience some friendly and, above all, informative treatment.

John England,
Oelbergstr. 12,
52643 Wachtberg,
Germany

Missed opportunity at lunch with a human rights crusader

From Mr Ken Capstick.

Sir, I was astonished to read Lucy Kellaway's article "Lunch with the FT" (March 20/21) where she interviewed lawyer Geoffrey Robertson.

A few years ago I was fortunate enough to have Geoffrey Robertson defend me in the High Court. During that time I found him to be one of the most interesting people I had ever met and nothing like Lucy Kellaway's portrayal.

If I were to interview an eminent international lawyer and a crusader for human rights I would expect him to talk about the law, the courts and human

rights, or the lack of them. Lucy Kellaway seems to have been surprised by this.

For your readers, interested in the workings of the law, this was an opportunity, for a stimulating article, missed.

My lasting impression is that Lucy Kellaway did not find the interview "stimulating" because she was out of her depth. Very disappointing for those of us who ploughed through the article.

Ken Capstick,
former vice-chairman,
NUM Yorkshire Area,
20 Clarendon Road,
Wakefield WF1 4JF

Star appeal for annuities

From Ms Elizabeth Balsom.

Sir, Surely the answer for anyone worried (desperately worried) about buying an annuity is not, as Simon London suggests ("A tangled web," FT Money April 3/4), to write to Gordon Brown or Tony Blair (this does not even evoke a postcard acknowledgement) but to persuade some luminary like Noel Gallagher or Glen Treadwell to lead forth. Blair would then be on Richard and Judy before you could blink, and the whole problem would be sorted.

Elizabeth Balsom,
16 Concorde Rd,
London SW15 6LP

FTSE Actuaries Share Indices: Quarterly Valuation The UK Series

	Market cap as at 31/03/99 (£m)	% of all- share index	Market cap as at 30/12/98 (£m)	% of all- share index	Market cap as at 30/09/98 (£m)	% of all- share index
FTSE 100	119004.00	80.51	107294.04	80.42	91872.08	78.21
FTSE 250	21946.60	18.77	197202.02	14.79	150071.77	12.29
FTSE 350 incl. Int'l	16167.30	13.71	174030.04	13.11	171024.08	14.71
FTSE 350 excl. Int'l	145561.40	95.28	127020.06	95.21	110773.85	94.6
FTSE 100 excl. Int'l	138837.10	93.46	124432.08	92.26	100891.41	82.86
FTSE 250 Higher Yield	71230.06	41.56	62066.7	46.26	57572.66	42.28
FTSE 350 Lower Yield	13300.52	47.32	64494.16	48.45	53101.29	45.59
FTSE 100 Dividend	70136.70	47.2	63549.8	47.9	60703.9	5.2
FTSE 250 Dividend	39198.96	1.86	33975.25	4.05	31265.27	4.39
FTSE 350 Dividend	146570.14	100.00	134276.75	100	110772.75	100
FTSE All-Share	1447736.06	87.44	1296795.93	97.3	113956.68	87.35
FTSE Property	18672.80	-	18805.89	-	17889.50	-
FTSE Real Estate	14565.16	-	13333.16	-	14318.75	-
FTSE All-Share	68651.90	-	60703.78	-	53949.86	-
FTSE All-Share excl. Int'l	74164.12	-	67308.41	-	57049.50	-
FTSE AIM	4063.12	-	4271.09	-	4696.86	-
10 RESEARCH	161801.61	16.89	104730.96	7.85	107174.88	9.16
12 Consumer Industries	138017.17	0.94	111054.44	0.84	114584.84	0.89
15 Oil Producers	143785.05	0.84	106527.41	0.72	109856.94	0.71
16 Oil Exploration & Prod	4599.42	0.31	3508.13	0.29	5733.31	0.49
20 UK INDUSTRIALS	131783.19	8.87	123082.9	9.22	108044.99	9.25
21 Construction	11674.71	0.79	9438.21	0.71	9050.45	0.77
22 Building Materials	26749.34	1.36	18253.54	1.37	19922.79	1.33
23 Chemicals	16518.12	1.11	15246.51	1.14	14494.20	0.88
24 Diversified Industrials	608.34	0.04	617.97	0.05	623.08	0.06
25 Electronic & Elec Equip	22778.25	1.53	20389.57	1.52	17922.87	1.47
26 Engineering	45812.14	3.14	44812.14	3.35	38944.56	3.13
27 Engineering Vehicle	8632.12	0.59	10190.30	0.75	8658.85	0.74
28 Paper Pkg & Printing	4781.78	0.32	4235.37	0.32	3458.88	0.47
30 CONSUMER GOODS	250088.84	17.51	256713.99	19.24	217448.46	18.25
32 Alcoholic Beverages	33467.36	2.25	30871.39	2.32	28229.6	2.19
33 Food Products	6975.85	0.76	6877.13	0.51	6027.22	0.43
34 Household Goods & Texts	4611.83	0.31	5012.82	0.38	6103.2	0.52
35 Health Care	3958.27	0.03	3990.32	0.07	7801.05	0.68
37 Pharmaceuticals	15780.27	10.02	15048.89	1.29	12101.53	10.35
38 Tobacco	13725.26	0.94	14433.86	1.08	13081.76	1.12
40 SERVICES	404657.34	30.99	408277.87	30.5	39187.36	30.75
41 Distribution	6734.20	0.45	6103.23	0.46	5628.24	0.48
42 Leisure & Hotels	27749.81	1.87	23709.55	1.78	19424.46	1.69
43 Media	92871.08	4.67	55032.84	4.19	69461.95	4.27
44 Retailers: Food	30933.68	2.09	34326.41	2.57	25418.89	2.09
45 Retailers: General	58723.33	3.81	60921.15	3.82	40728.01	3.46
46 Telecommunications	131456.57	10.20	109955.71	8.21	105663.33	8.61
47 Breweries, Pubs & Rest.	25422.52	1.71	24427.8	1.83	21644.23	1.85
48 Support Services	51911.11	3.49	48872.56	3.71	41804.42	3.58
49 Transport	42954.16	2.71	38076.8	2.93	35103.13	3.01
60 UTILITIES	69651.58	4.71	77972.86	5.84	78732.71	6.75
62 Electricity	23505.47	2.26	27843.1	2.83	26482.51	2.3
64 Gas Distribution	19218.06	1.29	20840.7	1.53	21134.2	1.81
65 Water	12727.42	0.86	10769.89	0.82	9120.31	0.82
67 NON-FINANCIALS	109413.45	77.92	92772.36	72.5	80282.23	74.18
70 FINANCIALS	38382.69	24.47	32571.38	24.55	27065.82	24.17
71 Banks: Retail	236790.82	15.94	204293.88	15.31	155073.82	13.3
73 Insurance	41417.78	2.79	40580.03	3.04	32986.39	2.97
74 Life Insurance	42268.57	2.85	46294.77	3.47	43894.91	3.74
77 Other Financial	22103.43	1.92	19110.11	1.36	14283.01	1.27
79 Property	20443.50	1.40	18230.96	1.37	20870.72	1.75
80 INVESTMENT TRUSTS	37964.12	2.55	35979.92	2.7	30521.87	2.65
86 FTSE All-Share	146570.14	100.00	134276.75	100	110772.75	100
87 FTSE All-Share excl. Int'l	144773.06	97.44	129679.53	97.3	113956.68	97.35
Information Technology	21873.61	1.47	17572.8	1.32	18872.88	1.45

Number One Southwark Bridge, London SE1 9HL

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PEOPLE IN THE NEWS KOSOVO'S REFUGEES

A cruel and sudden exodus

The forced evacuation of the Kosovar Albanians has created a stream of dispossessed people ranging from engineers to peasants. **Stefan Wagstyl** interviews the refugees of modern Europe

A two-year-old boy was killed. I saw a Serb policeman hanging his body up in the bus station. It was from an advertisement pole or something like that. The body and the face were covered with cuts like from a knife. On the body was a sign written in Serbian saying 'Send Nato to help him'.

Avdi Subjani, a 20-year-old student, does not flinch as he describes what he saw at Dakovica bus station, in western Kosovo, when he and thousands of others were being chased from their homes after Nato bombing started two weeks ago.

With a sharp haircut, purple shirt and black jeans, Mr Subjani would not look out of place on a college campus in the west. Yet what he has experienced has marked him for life.

Speaking in a refugee camp in Albania, Mr Subjani talks in a flat monotone. Like many other ethnic Albanians expelled from Kosovo, he seems to have been drained of emotion.

Not all lived through the same degree of horror as he did. Some, like the dead boy's parents, must have suffered much worse. Others were fortunate enough to escape from Kosovo without even seeing violence. But almost all are frightened. And all have little idea how to piece together their broken lives. These lives - or at least these backgrounds -

are more varied than those of the stereotypical refugee crowd in developing countries. Kosovo's are the refugees of modern Europe, embracing smoothly dressed professionals as well as gnarled farmers.

Mr Subjani had intended to become an engineer, the first graduate in his family. His grandparents were farmers. His father had a job in a state winery near Dakovica. But now Mr Subjani plans to join his elder brother in the Kosovo Liberation Army, the guerrilla force fighting the Serbs.

Another Kosovar who had big plans is Afrim Kamberi, a 40-year-old Dakovica businessman, who ran a delicatessen and a restaurant in the town centre. Dressed in a trendy black tracksuit, he would merge with the crowd in a western sports club. He says: "The Serbs broke into my house and gave us three minutes to leave. They set fire to my shop and my house. They stole my three cars - two Volkswagens and a Peugeot. I lost 500,000-600,000 D-Marks."

"I know the people who



did this. They were my customers. I would like to return to Dakovica but it's a tough situation. What the Serbs did, did not happen even in medieval times."

Mr Kamberi is grateful to be alive. He saw bodies around the bus station, though not the hanging boy. But he chafes at the discomfort of refugee life. "We are

staying with an Albanian family. It is not what we are used to. We have one room with one bed. I sleep in a chair. If I sleep at all. The water supply keeps breaking down. We hate the toilet and the bathroom." It is a common reaction among wealthier Kosovars, who are accustomed to western plumbing, not squat toilets.

On the map, Kosovo seems a remote and mountainous corner of the former Yugoslavia. But in Pristina, Pec, Prizren and Dakovica it had prosperous towns, home to educated people with a knowledge of languages, arts and science. Many have worked in Germany and brought home savings to invest in houses, businesses

and farms. Many more have relatives in the Albanian diaspora, who frequently send back cash, compact discs and the other essentials of modern culture.

Dumir Nuri, a 26-year-old nurse from Pristina, is a typical urban Kosovar, dressed in a purple tracksuit. Speaking in English, she says: "I feel awful. I haven't had a

wash for three days. We'll have epidemic soon."

Her ordeal has so far lasted 11 days. The family was first taken from Pristina to the Macedonian border, where, with thousands of others, they spent a week in no man's land before being dragged on to buses and driven to Albania. Mrs Nuri says: "We have had enough to eat. But the food here is poor. Just bread and cheese. I need a proper meal."

Rural Kosovars are less sophisticated and less complaining of physical hardship. Nevertheless there were pockets of considerable wealth in the villages. Wearing a scruffy black anorak and grey cap, Sadik Morina, a 42-year-old father of eight, is indistinguishable from other peasant farmers in the refugee camps. Yet he has spent 12 years working on building sites in Switzerland and Germany, amassing savings of DM300,000 that he invested in his farm in Radoste village near Ora-hovac in central Kosovo.

He says in German: "My three houses were all burnt down. My Mercedes, my

truck, my Opel Ascona and my tractor stolen. They shot my two cows, one in the neck and the other in the stomach. Everything is gone."

But most rural Kosovars are poor like Kamberi Gashi, a 40-year-old mother of seven. A lifelong resident of Jabanci village near the western town of Pec, she speaks with a strong local accent that native Albanians struggle to understand. The family are subsistence farmers, with almost no cash coming into the household. The Serb policeman who snatched her gold necklace took the only valuable thing she had.

Mrs Gashi cannot imagine life anywhere else but Jabanci. "We eat what we produce. It is a hard life but it is our village and we want to go back." Her main concern is about her husband, Muharrem Gashi, who, like many other Kosovar men, stayed behind to fight the Serbs. "I am very worried," she says, listlessly.

Kosovars are almost all Muslims but not of a particularly zealous kind. Yesterday, the Friday Muslim holiday, few refugees intended to attend prayers. A handful were making plans to escape to Germany or elsewhere or to join the KLA.

But most were waiting for something to bring some meaning back into their shattered lives. As Mr Morina said: "What else can we do now except wait?"

Treasure island

All is for the best in the best of all possible markets, UK equity investors can feel positively Panglossian about the performance of their portfolios.

The FTSE 100 index has recorded all-time highs in recent days. And investors have enjoyed double-digit returns from shares in each of the past four years and for 13 of the past 17 years.

With such juicy profits apparently on offer, it is hardly surprising that the final deadline for tax-free personal equity plans, which were abolished on April 5, prompted a buying spree from private investors. Some fund managers are reporting inflows more than 50 per cent above 1998's levels and estimate that up to £1.5bn went into Peps in the last few days of the tax year.

In itself, the last-minute dash for Peps was merely the latest shot in the arm for the long bull equity market. Many factors, such as the improvement in the UK's inflation performance and the phenomenal strength of Wall Street, are both well known and long running.

But there are two decisive elements which have carried the FTSE 100 index up nearly 2,000 points since its lows in early October: a sharp turnaround in views about the prospects for the economy, and a rare imbalance of supply and demand.

In October, talk of a recession in the UK was widespread as manufacturers struggled with the strength of sterling, the crisis in emerging markets and the threat of a global recession.

But three rapid rate cuts by the US Federal Reserve and six by the Bank of England (the latest being this week's quarter-point reduction in base rates to

A shortage of shares has driven prices to all-time highs, says **Philip Coggan**

5.25 per cent) have changed the picture. In the UK, survey data indicates business sentiment is recovering, while some sectors, such as the housing market, appear to be flourishing. Most analysts are now looking for a "soft landing" in which the economy grows by close to 1 per cent this year.

The outlook for UK corporate profits has therefore improved. ABN Amro, for example, predicts a 7 per cent rise in earnings this year after a 5 per cent fall in 1998.

Even without the upturn in economic sentiment, the extraordinary imbalance between the supply and demand for shares means that share prices might well have risen anyway.

For several years now, companies have been returning cash to shareholders via share buy-backs, takeovers and special dividends. This is largely due to a change in corporate finance practice: managements have come to believe that excess cash depresses returns on capital.

At the same time, few companies have been com-

ing to the stock market to raise money. There were just 10 new issues on the London market in the first three months of 1999, the smallest number of flotations in any quarter for 10 years.

The supply of equity (the balance of purchases of stocks by the corporate sector compared with new issues and rights issues) fell by £20bn in 1998. BT Alex Brown is forecasting a further £26bn decline this year.

This shortfall of supply coincided with a time when UK institutional investors, made cautious by the market's problems in the third quarter of 1998, had large holdings of cash. The average UK pension fund had nearly 10 per cent of its portfolio in cash at the end of 1998. With share prices rising in the first part of 1999, institutional investors will have been forced to chase the market higher.

Many market valuation methods compare shares and bonds, for example the yield ratio, which divides the yield on the long gilt by the dividend yield on the FTSE All-Share index. When the ratio

is high, bonds look attractive; when the ratio is low, equities are favoured.

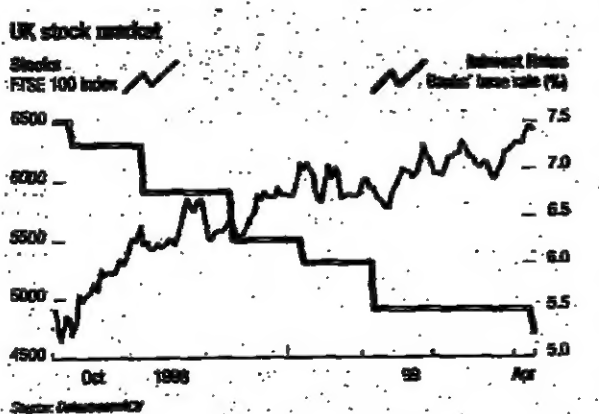
In October, when share prices slumped and bonds prospered from their "safe haven" status, that ratio sank to its lowest level in 25 years. Even after the rebound in equities, and a tax change that reduced the yield on shares, the ratio still does not make shares look expensive by the standards of the past 30 years.

Furthermore, the Bank of England's rate cuts have reduced the attractions, for both retail and institutional investors, of holding cash. Equities look like the only place to be.

Is there any reason for investors to be cautious? One might be the narrow focus of the market. Although shares in smaller stocks have mounted a strong rally so far in 1999, the FTSE 250 and FTSE SmallCap indices remain well below the peaks they recorded in 1998. Smaller companies have found it much harder to prosper in a low-inflation, low-growth economy, without any brand names or pricing power to protect them.

A second worry is that on absolute, rather than relative, valuation measures, equities look very expensive. The price-earnings ratio on the market is at an historic high and the dividend yield at an historic low. Shares may not look expensive relative to bonds, but maybe both are overpriced.

The final concern is Wall Street, where equities look pricey on historic measures and - unlike London - relative to bonds. When the New York market falls, the London market tends to be dragged down with it, regardless of its fundamentals.



Going, going, gone.com

The internet is revolutionising the auction business and creating new sorts of economic activity in the process. **Roger Taylor** reports

How do you start a business with no capital? One way is to join eBay, the person-to-person internet auction business.

This is how it works. One eBay regular, who goes by the online name of Cadtools, has an ingenious system. She visits, say, a furniture shop and asks the owners if they have stock that is not selling. If they do, she agrees a price and asks them to put the goods on hold for a few days.

She then posts an offer to sell the goods on eBay with a reserve price slightly above the deal agreed with the shop. If it sells she makes a profit. If it does not, she hands the goods back to the shop. There is no loss.

The business has created a new economic opportunity by providing a means to trade in a limitless range of goods with nothing more than a computer and an internet connection. Not surprisingly, eBay and its internet rivals are among the first beneficiaries. Shares in Amazon.com, the internet retailer, jumped 8 per cent on that day that it launched its auction operation earlier this month.

Big general purpose internet sites such as Yahoo! and Excite have also been quick to imitate eBay. The attraction is clear. Person-to-person auctions are proving one of the fastest growing businesses on the web and have the potential to generate vast amounts of cash for a minimum amount of effort. eBay is unusual for an internet business less than four years old in that it is already profitable.

The beauty of the opera-

tion is that most of the work is done by the customers. The seller writes the advertisements and posts them. When the auction is over, he or she is automatically sent the e-mail address of the winning bidder and the two sort out payment and delivery terms. The system is even policed by the users, who can submit feedback every time they buy or sell something on how the other party behaved.

All eBay does is maintain the site, provide a minimum level of customer support and collect fees every time an ad is posted or a sale made. At the end of last year, the company had 2.1m registered users supported by a permanent staff of just 138. It had a gross margin of 85 per cent on its \$19.5m revenues.

bank, estimates it costs E-Trade, the internet broker, about \$400 to get a new customer and Amazon.com about \$40. For eBay the figure is \$12.

Life will undoubtedly get harder as more companies enter the online auction business. Unlike both Amazon.com and eBay, Yahoo! is offering its auction service for free: its first priority is to attract sellers and bidders. But sellers may still choose to pay for a service if it means getting more bidders and a better sale price. Traffic to eBay far exceeds all its competitors combined because it offers about two million items for sale at any one time.

The speed and manner in which the industry has developed has surprised analysts. eBay began operating

in September 1995 and was regarded as an alternative to classified adverts in newspapers. One view then was that such sites would appeal to people only in a local area because of the need to deliver items.

However, auction traders now deal in volume and nationwide in electrical goods, antiques, memorabilia and wines. It is hard to find an item that is not on offer somewhere. On Yahoo! Auctions you can find skis, high chairs, video recorders and luggage. In the food sec-

tion you can bid on a pound of beef jerky, a bag of lobsters or even a piece of cheese. People offer services, such as lessons or catering, and artists put their own work up for sale. Last week the 1961 Kentucky Derby Trophy appeared for sale on eBay, another sign of the remarkable range of items available.

But it also highlights the biggest worry about buying on eBay. The trophy was stolen. The unregulated nature of eBay has produced a stream of complaints about fraudulent sellers who ship useless goods or fail to send the goods at all; about forged antiques and memorabilia; about offers of guns and pornography and pirated software. Although most customers appear happy, the message boards are full of stories of woe.

This week eBay agreed with the New York City Department of Consumer Affairs to take "reasonable" efforts to halt deceptive sales practices. The agreement is worrying for eBay shareholders as it brings eBay a step closer to being held legally responsible for the activities of its customers.

The appeal of person-to-person auctions, as a business, is that the buyers and sellers look after themselves. The economics of the industry could start to look a good deal worse if the auction companies have to start monitoring each sale.

That has not yet happened. But how well the auction companies deal with the issue of fraud could determine whether or not this industry proves as profitable an opportunity as shareholders are betting.

You can bid for skis, high chairs, a bag of lobsters or a piece of cheese. Last week the 1961 Kentucky Derby Trophy appeared for sale on eBay

Striking a blow for Scotland

Brian Groom and Andrew Parker interview the man who would break up the United Kingdom

Alex Salmond's famous Cheshire cat grin has not been much in evidence this week. Perhaps it is the momentousness of the May 6 election to Scotland's devolved parliament - its first national legislature for 292 years - but the man they call "smart Alex" has seemed subdued and at times defensive.

The Scottish National party leader insists he is loving it, even though his party is trailing Labour in the polls. The start of campaigning was certainly odd. Mr Salmond wants to make Scotland independent, but he placed a referendum on independence last on his list of 10 election pledges, provoking Labour taunts that he was concealing his true purpose.

He insists his party's strategy is logical. "This is a new situation. When you are standing for election to a devolved parliament I think people might expect us to put forward a programme for running it well."

The SNP, he says, remains an "independence party". The pledge to hold a referendum within the first four-

year term is an "unambiguous, non-negotiable commitment" if we are an administration. He does not rule out the Quebec scenario of repeated referendums on independence if the first is unsuccessful, though he says a fresh mandate would be required at an election before a second referendum was held.

Even if Mr Salmond fails this time, he is closer to his dream than any leader in his party's history. Historical forces have brought Scotland to this point, but his skills will determine whether that vision is fulfilled.

Mr Salmond, a former bank economist, is seen by some in his party as being as much of a control freak as Tony Blair, the prime minister, but few doubt he is a sharp-witted and engaging politician. He is also a gradualist. In promoting the idea that a successful devolved parliament can be a "bridge" to independence, he has marginalised the fundamentalists in his party who seek liberation tomorrow.

If that makes him seem a reformist like Mr Blair, he is well to the left of Mr Blair on economic issues. For the

SNP, the defining issue of this campaign is its pledge to use the "tartan tax" power to keep the basic rate of income tax at 23p when it is reduced to 22p elsewhere in the UK, and spend the £200m a year proceeds from the extra penny on health, education and housing.

He accepts that if the party succeeds in winning the election on a promise of higher income tax, it will redefine modern political

people and some members of his own party, who fear it will set a precedent for further use of the parliament's power to vary basic rates by up to 3p in the pound in order to raise taxes during future four-year terms, and undermine the SNP's effort to woo business supporters. Mr Salmond does not say what he would do beyond a first term, but points out he has always opposed income tax cuts - he was once

Irish republic, even though the republic had higher personal tax rates.

"As far as building up investment is concerned, the rate of personal taxation - with the proviso that it doesn't become prohibitive and a disincentive - is not going to create an entrepreneurial society. Much more important are things like the level of business rates for small businesses, which we address in our manifesto, and for large companies the rate of corporation tax."

The SNP proposes a "significant reduction" of corporation tax in an independent Scotland. The SNP, he says, does not want to win independence for purely constitutional reasons, but to achieve social and economic ambitions. These goals can make some progress in a devolved parliament, he says, but "if you want real economic progress, that will require the freedom of manoeuvre that independence gives."

If the SNP won an outright majority - difficult to do, because no party this century has won a majority of seats and votes in Scotland - Mr Salmond says negotia-

tions with Westminster would start and a referendum would be held.

"I would like that to be as soon as possible, but you would have to have Westminster agreeing to negotiate. The key point is the decision would be made by the people at a referendum."

Asked whether a referendum could be held within six months of an election, he says: "Yes. If we have an absolute majority of seats and votes we would ask Westminster to negotiate. We would wish to see a referendum as quickly as possible."

If the SNP emerges as the party with the greatest number of seats but no overall majority, the key issue is whether it could reach agreement on a coalition with the Liberal Democrats, who oppose an independence referendum.

"The referendum could be at any point during that four-year term, and it's perfectly reasonable for us to negotiate on the timing of the referendum, but it wouldn't be reasonable to desert the commitment to having the referendum, and that's why it has to be non-



negotiable.

"This is part of our programme, and we couldn't go into government without having the ability to deliver our programme. But I am convinced that if we are the largest party we will get the support to hold an independence referendum."

He suggests Labour would be "unwise" to try to govern as a minority, and warns it

would face defeat by other parties on issues such as the government's £1,000-a-year student tuition fees, which all the opposition parties want to abolish.

The opinion polls put Labour up to 14 points ahead, but Mr Salmond still claims he can come out on top. And for the first time, that thought brings out his famous Cheshire grin.

COMMODITIES & AGRICULTURE

Cocoa futures hit 5 1/2-year low on Liffe

WEEK IN THE MARKETS

By Paul Solman

Cocoa futures plunged to a 5 1/2-year low in London amid continued signs that supplies were more than adequate.

The May contract hit \$754 a tonne at one stage on the London International Financial Futures and Options Exchange, its lowest since 1993, before recovering slightly to end the week at \$779 - compared with last week's finish of \$818.

Prices have been falling steadily since the middle of last year, and traders are said to be running into serious financial problems because of their forward positions.

Signs of weak demand in the cocoa market were confirmed by a report from the Economist Intelligence Unit, which said grindings would remain flat during the current 1998-1999 season, citing falling consumption in the former Soviet Union and Asia.

It forecast a return to global surplus in 1999-2000, for the first time since 1986.

Low cocoa prices, coupled with weakness among oilseeds, coffee and tea, would drag the soft commodities sector down this year, the EIU said, though it saw a small recovery next year.

World oil prices began the week just below \$15 a barrel, but fell sharply on fears that cracks were appearing in last month's international agreement to cut crude production by 2.1m barrels a day. Venezuela said it was unable to implement immediately its reduction because

of domestic problems. The benchmark May contract for Brent blend oil on London's International Petroleum Exchange closed at \$14.21 a barrel on Thursday, \$1 below its level just a week earlier.

However, it rebounded yesterday after Boris Yeltsin, Russian president, made threatening noises about Nato's involvement in Serbia.

In late trading yesterday, Brent was \$14.77 against last week's close of \$14.72.

Base metals traded quietly in the wake of the Easter break. The London Metal Exchange's flagship three-month copper contract ended the week at \$1,425 a tonne against last week's close of \$1,396.

The LME announced plans to launch a new index based on the exchange's six base metals contracts.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Assigned Metal Trading)

IN ALUMINIUM, 50% PURITY (5 per tonne)

Date 1247.5-4.25 1263-44

Physday 1240.5-1.5 1262.5-3.0

Highday 1267.5-1.5 1267.5-1.5

All Official 1247.5-4.25 1263-44

Karl's Close 1247.5-4.25 1263-44

Open Int. 292,173

Total daily turnover 52,948

IN ALUMINIUM ALLOY (5 per tonne)

Date 1154-90 1155-90

Physday 1149-7 1149-7

Highday 1154-90 1155-90

All Official 1149-7 1149-7

Karl's Close 1149-7 1149-7

Open Int. 6,189

Total daily turnover 1,837

IN LEAD (5 per tonne)

Date 503.5-4 503.5-4

Physday 503.5-4 503.5-4

Highday 503.5-4 503.5-4

All Official 503.5-4 503.5-4

Karl's Close 503.5-4 503.5-4

Open Int. 37,373

Total daily turnover 12,570

IN NICKEL (5 per tonne)

Date 4870-80 5040-50

Physday 4870-80 5040-50

Highday 4870-80 5040-50

All Official 4870-80 5040-50

Karl's Close 4870-80 5040-50

Open Int. 10,000-10

Total daily turnover 4,990-85

IN ZINC (5 per tonne)

Date 5330-40 5290-300

Physday 5330-40 5290-300

Highday 5330-40 5290-300

All Official 5330-40 5290-300

Karl's Close 5330-40 5290-300

Open Int. 10,000-10

Total daily turnover 4,990-85

IN TIN (5 per tonne)

Date 5330-40 5290-300

Physday 5330-40 5290-300

Highday 5330-40 5290-300

All Official 5330-40 5290-300

Karl's Close 5330-40 5290-300

Open Int. 10,000-10

Total daily turnover 4,990-85

IN COPPER, grade A (5 per tonne)

Date 1424.25 1424.25

Physday 1424.25 1424.25

Highday 1424.25 1424.25

All Official 1424.25 1424.25

Karl's Close 1424.25 1424.25

Open Int. 10,000-10

Total daily turnover 4,990-85

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN HIGH GRADE COPPER (COMEX)

Date 64.20 64.20

Physday 64.20 64.20

Highday 64.20 64.20

All Official 64.20 64.20

Karl's Close 64.20 64.20

Open Int. 10,000-10

Total daily turnover 4,990-85

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

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LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

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Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

Precious Metals continued

IN GOLD COMEX (100 Troy oz. May 02)

Date 281.5 281.5

Physday 281.5 281.5

Highday 281.5 281.5

All Official 281.5 281.5

Karl's Close 281.5 281.5

Open Int. 142,420

Total daily turnover 1,837

IN PLATINUM COMEX (50 Troy oz. May 02)

Date 557.2 557.2

Physday 557.2 557.2

Highday 557.2 557.2

All Official 557.2 557.2

Karl's Close 557.2 557.2

Open Int. 11,152

Total daily turnover 1,837

IN PALLADIUM COMEX (100 Troy oz. May 02)

Date 353.75 353.75

Physday 353.75 353.75

Highday 353.75 353.75

All Official 353.75 353.75

Karl's Close 353.75 353.75

Open Int. 149,287

Total daily turnover 1,837

IN SILVER COMEX (5000 Troy oz. May 02)

Date 450.0 450.0

Physday 450.0 450.0

Highday 450.0 450.0

All Official 450.0 450.0

Karl's Close 450.0 450.0

Open Int. 1,837

Total daily turnover 1,837

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

3 months 1.0000 6 months 1.0000 1 year 1.0000

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LME Closing 5% rate 1.0000

Spot 1.0000 5% rate 1.0000 1 month 1.0000

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3 months 1.0000 6 months 1.0000 1 year 1.0000

IN LME AM OFFICIAL 5% rate 1.0000

LME Closing 5% rate 1.0000

Spot

Calm returns

MARKETS REPORT
By Alan Beattie

The currency markets returned to a state of calm contemplation yesterday after Thursday's spasms of rate-cutting excitement. The euro recovered some of the ground it had lost in thin, whippy trading immediately after the announcement, spiking back up above the \$1.08 level at the beginning of the London session.

Trading thereafter was unexciting but the euro managed to consolidate its level, ending London trading at \$1.078 against the dollar. Meanwhile the Euribor interest rate futures market took Wim Duisenberg at his word when he said that this was the last in the current series of cuts. Futures prices snapped up to price in interest rates unchanged for the remainder of this year, aside from the millennium blip in December, and a small rise at the beginning of next year.

Few analysts had much cause radically to revise their expectations of the

move might be the Swiss franc. "The Swiss National Bank cut the discount rate by 50 basis points straight after the ECB cut," he said. "But the discount rate is entirely symbolic. What actually matters is the repo rate, which was only reduced by 25 basis points."

The narrowing yield gap could be positive for the Swiss franc, he added.

Joe Prendergast, head of global foreign exchange research at Credit Suisse

■ **POUND IN NEW YORK**

First Boston, said that counterbalancing forces were acting on the euro in the aftermath of the cut. "With Wim Duisenberg ruling out future rate cuts, one important reason to sell the euro has gone," he said. "But on the other side, the increased risk appetite arising from the cut may favour dollar-denominated assets."

Mr Prendergast added that recent rapid capital inflow into the country.

The central bank's move preserved the 40 basis point differential between the ECB and Danish repo rates. The market reacted calmly, with little change in bond spreads and the krona hardly moved against the euro. At the end of London trading the krona was at DKr7.432 against the euro, still on the stronger side of the central parity of its five per cent band.

Some in the market thought that the Danish authorities had the potential to shave the 40 basis point differential, especially given recent rapid capital inflow into the country.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

POUND SPOT FORWARD AGAINST THE POUND

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

EURO SPOT FORWARD AGAINST THE EURO

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

CROSS RATES AND DERIVATIVES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

EXCHANGE CROSS RATES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

EURO SPOT FORWARD AGAINST THE EURO

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

WORLD INTEREST RATES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

INTERNATIONAL CURRENCY RATES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

MONEY RATES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

THREE MONTH EURO DOLLAR FUTURES

Apr 9	Closing bid/ask	Change on day	Midpoint	High	Low	One month	Three months	One year	JP Morgan
Europe	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
South Pacific	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

THREE MONTH EURO DOLLAR FUTURES

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Asia	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Africa	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Latin America	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
Middle East	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730
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Other	12.780	+0.008	97.730	12.780	12.780	2.2	12.880	2.3	12.730

UK INTEREST RATES

	Open	Landed	Change	High	Low	Esc. bid	Open bid
Jan	0.5621	0.5536	+0.0022	0.5551	0.5530	15.622	32,247
May	0.5557	-	-	-	-	-	1,251
Dec	0.5570	-	-	-	-	-	149
UK SWISS FRANK FUTURES (CHF) @ 125,000 per SF							
Jan	0.6885	0.6795	+0.0018	0.6810	0.6788	27,352	65,550
May	0.6917	-	-	-	-	79	328
Dec	0.6916	-	-	-	-	-	6

UK INTEREST RATES

LONDON MONEY RATES				
Apr 8	Over-	7 days	Three	One
			months	year

DATABANK



UNIT TRUSTS

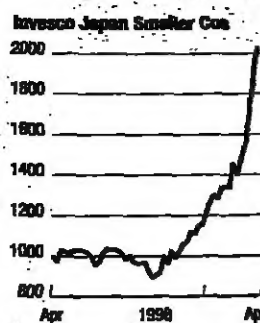
Winners and losers

TOP FIVE OVER 1 YEAR:

Fidelity American	2,118
Invesco Japan Smaller Cos	2,028
Johnson Fry New Japan	2,025
Garnmore PS Japan Sm Cos Str	1,897
Save & Prosper Korea	1,833

BOTTOM FIVE OVER 1 YEAR:

Perpetual Latin American Gth	595
Scott Widows Latin America	596
Scott Widows Emerging Markets	621
Edinburgh Latin America A	628
AIB Govt Latin America	633

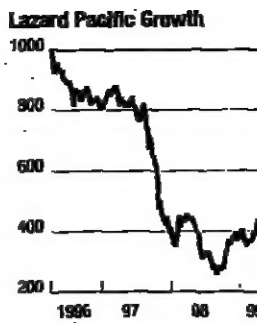


TOP FIVE OVER 3 YEARS:

Fidelity American	3,205
TU European	2,381
Jupiter UK Growth East	2,297
Franklin American Growth	2,140
Edinburgh North American A	2,118

BOTTOM FIVE OVER 3 YEARS:

Save & Prosper Gold & Exptn	234
Old Mutual Thailand Acc	250
M&G Gold	387
Garnmore Gold & Int'l Resource	431
Lazard Pacific Growth	434

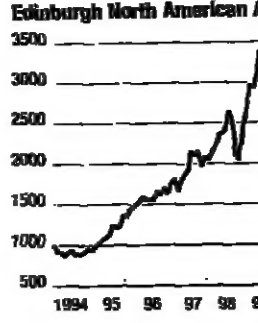


TOP FIVE OVER 5 YEARS:

Fidelity American	4,375
Aberdeen Pacific Technology	4,040
GA North America Growth	3,839
Fidelity American Spec Sls	3,394
Edinburgh North American A	3,365

BOTTOM FIVE OVER 5 YEARS:

Save & Prosper Gold & Exptn	323
Old Mutual Thailand Acc	345
Save & Prosper Korea	461
M&G Gold	475
Lincoln South East Asia	481

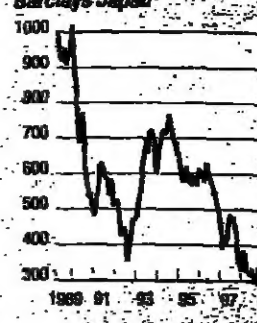


TOP FIVE OVER 10 YEARS:

Aberdeen Pacific Technology	11,320
Fidelity American	9,379
GA North America Growth	9,118
Henderson Global Technology	7,739
Edinburgh North American A	7,727

BOTTOM FIVE OVER 10 YEARS:

Barclays Japan	417
M&G Japan Acc	436
Invesco Japan Growth	585
HSBC Japan Index	614
Henderson Japan Smaller Cos	644



Tables show the result of investing £1,000 over different time periods. Tables are based on 3-year performance. Warnings: past performance is not a guide to future performance.

Indices	1 year (%)	3	5	10	Volatility	Yield
Average Unit Trust	1017	1307	1578	2884	4.5	2.3
Average Investment Trust	982	1405	1583	2935	6.4	4.5
Bank	1042	1120	1207	1727	0.1	3.9
Building Society	1040	1113	1201	1727	0.0	4.0
Stockmarket: FTSE All-Share	1070	1727	2198	3502	3.7	2.3
Indexation	1021	1085	1152	1454	0.3	-

UK Growth	1 year (%)	3	5	10	Volatility	Yield
Jupiter UK Growth Exempt	1071	2291	-	-	4.8	0.8
Exeter Capital Growth	992	2021	2150	-	6.7	-
Thornhill Capital	1104	1875	2207	-	4.0	0.5
Lloyds TSB Environmental Inv	1077	1874	2253	-	3.9	0.9
Johnson Fry UK Growth	1081	1868	-	-	4.2	0.8
HSBC Focus Fund	984	1507	1639	2816	3.5	1.4
SECTOR AVERAGE	-	-	-	-	-	-

UK Growth & Income	1 year (%)	3	5	10	Volatility	Yield
Fleming Select UK Income	1046	1848	2342	3264	3.8	2.8
Fidelity Moneybuilder Plus	1056	1842	-	-	4.1	2.1
River & Mercantile Top 100	1075	1822	-	-	3.8	2.4
Johnson Fry UK Income	1084	1818	-	-	4.2	2.5
HSBC Focus Fund	1083	1815	2106	-	4.1	1.6
SECTOR AVERAGE	1085	1594	1889	3030	3.7	2.0

UK Smaller Companies	1 year (%)	3	5	10	Volatility	Yield
INVESTCO UK Small Cos Acc (ST)	1132	1781	1831	-	4.4	2.2
Henderson Smaller Cos	1031	1734	1821	-	4.5	0.9
Garnmore UK Smaller Cos	949	1511	2111	2434	5.0	1.1
Lawrence Kean Smaller Cos	955	1511	2325	-	4.6	1.4
BWU UK Smaller Cos	912	1503	1989	-	5.3	0.6
SECTOR AVERAGE	990	1204	1468	1974	4.8	1.5

UK Equity Income	1 year (%)	3	5	10	Volatility	Yield
OF Gay High Income	984	1789	-	-	3.6	6.1
BWU UK Equity Income	1037	1780	2247	3547	3.4	3.1
Johnson Fry UK Income	1029	1758	1977	2603	3.4	3.7
Jupiter Income	1084	1736	2040	2510	3.3	3.1
Newton Higher Income	1001	1701	2048	2485	3.8	4.1
SECTOR AVERAGE	973	1515	1787	2889	3.5	3.8

UK Equity & Bond Income	1 year (%)	3	5	10	Volatility	Yield
Aberdeen Global Income	1024	1591	1788	3518	2.5	4.1
CSU PPT High Yield	1058	1564	1745	2592	2.7	5.1
Garnmore UK Income Inc	1009	1559	1945	2136	3.0	2.7
CSU UK Income	977	1558	1808	-	2.9	3.2
Fidelity High Income	1048	1544	1959	-	1.8	4.3
SECTOR AVERAGE	987	1434	1628	2486	2.6	4.8



INVESTMENT TRUSTS

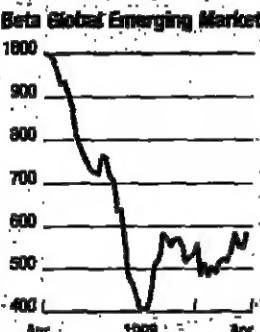
Winners and losers

TOP FIVE OVER 1 YEAR:

Invesco Japan Smaller Cos	2,205
Fidelity Japanese Values	1,973
Adams Japan Growth	1,821
Invesco Korea	1,791
Baillie Gifford Shin Nippon	1,884

BOTTOM FIVE OVER 1 YEAR:

First Russian Frontiers	230
Foreign & Col Em Markets	539
Invesco Enterprise	580
Baillie Gifford Emerging Markets	683
Central Europe Growth Fnd	684



TOP FIVE OVER 3 YEARS:

Foreign & Col Enterprise	3,265
Jupiter Primordia Growth	2,920
Aberdeen High Income	2,446
Shires High Income	2,118
Dartmoor	2,113

BOTTOM FIVE OVER 3 YEARS:

Edinburgh Jaws	190
'East German'	259
Stan Selective Growth	282
Aberdeen New Thai	294
First Russian Frontiers	327

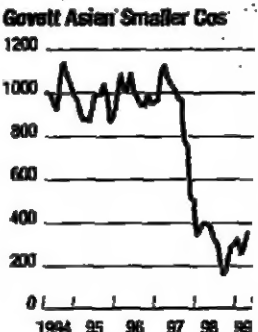


TOP FIVE OVER 5 YEARS:

Foreign & Col Enterprise	4,859
Candover	3,351
Jupiter Primordia Growth	3,351
Charter European	2,889
Electra	2,567

BOTTOM FIVE OVER 5 YEARS:

Edinburgh Jaws	158
East German	178
Edinburgh New Tiger	214
Stan Selective Growth	286
Garnmore Asian Smaller Cos	354

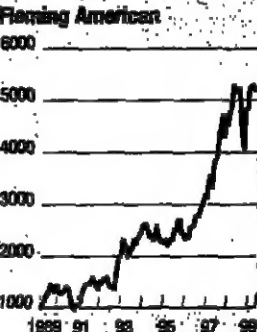


TOP FIVE OVER 10 YEARS:

Foreign & Col Enterprise	10,529
Jupiter Primordia Growth	6,358
Candover	6,280
Edinburgh US Tracker	5,854
Fleming American	5,188

BOTTOM FIVE OVER 10 YEARS:

Invesco Enterprise	319
Trust of Property Shares	701
Foreign & Col Em Markets	877
Baillie Gifford Shin Nippon	984
Pacific Assets	1,011



Int General	1 year (%)	3	5	10	Volatility	Yield
Titania	1118	1844	2142	10	5.2	1.4
Personal Assets	995	1723	2382	-	3.2	1.6
Majella	1011	1800	1887	13	4.1	2.4
Wigan	1087	1597	1908	14	4.5	2.3
Alliance	1084	1538	1941	16	4.3	2.4
SECTOR AVERAGE	1021	1488	1846	-	4.8	2.2

Int Capital Growth	1 year (%)	3	5	10	Volatility	Yield
Jupiter Primordia Growth	1200	2820	3361	-	7.3	1.0
Foreign & Col Spec US S	1074	1715	-	-	11	6.1
British Assets Growth	984	1711	-	-	25	5.0
Anglo & Overseas	1155	1649	1857	11	4.4	1.4
Fininvest Technology	1384	1597	-	-	17	10.0
SECTOR AVERAGE	1025	1395	1549	-	8.7	1.5

Int Income Growth	1 year (%)	3	5	10	Volatility	Yield
British Assets	1023	1646	1882	15	5.3	4.2
Securities Trust of Scotland	991	1438	1537	19	4.8	4.0
Murray International	989	1257	1593	16	5.3	3.4
SECTOR AVERAGE	982	1447	1604	-	5.1	4.0

Smaller Cos Int'l	1 year (%)	3	5	10	Volatility	Yield
Herold	1229	1549	2225	7	8.8	0.4
Henderson Straits	879	1258	1854	10	6.8	-
Henderson Smaller Companies	901	1223	1373	19	5.8	2.0
Mid West International	903	1105	1132	30	4.7	2.2
Foreign & Col Small Cos	915	1050	1086	27	4.8	2.3
SECTOR AVERAGE	908	1078	1471	-	6.4	2.1

UK General	1 year (%)	3	5	10	Volatility	Yield
Fleming Clarendon	999	1899	2413	-	5.0	1.8
Edinburgh US Tracker	1088	1849	2277	-	4.8	2.5
Foreign & Col Spec US	1077	1881	1882	10	4.2	3.6
Investors Capital Growth	946	1655	-	-	23	6.0
Albany	978	1640	1937	23	4.7	3.5
SECTOR AVERAGE	985	1546	1883	-	4.8	2.7

UK Capital Growth	1 year (%)	3	5	10	Volatility	Yield
Ivory & Sine SIS	1008	1734	1887	22	5.4	-
Legal & General Recovery	978	1537	-	-	17	4.8
Fleming Mid Cap	978	1501	1484	21	5.0	1.8
Barfield & Rose	957	1278	1489	17	8.7	2.2
SECTOR AVERAGE	988	1281	1413	-	6.4	2.6

UK Inc Gth	1 year (%)	3	5	10	Volatility	Yield
Temple Bar	1075	1814	2046	7	5.2	4.0
Garnmore Brit Int & Gth Units	1122	1787	1987	-	3.3	3.4
Dartmoor Income Growth	1082	1795	1928	14	4.9	2.9
Merchants	1081	1786	1937	8	5.2	4.2
City of London	1012	1772	2117	2	4.6	3.2
SECTOR AVERAGE	988	1505	1711	-	4.8	3.9

Smaller Cos UK	1 year (%)	3	5	10	Volatility	Yield
Enlight	1018	1448	1343	13	6.1	1.3
Shires Smaller Companies	985	1382	1225	18	6.7	5.2
Garnmore Smaller Companies	821	1343	1691	14	7.3	2.4
Ivory & Sine UK Small Cos	804	1337	1736	21	7.4	2.8
Fleming Smaller Companies	941	1314	1289	21	7.0	2.0
SECTOR AVERAGE	948	1083	1230	-	8.1	2.7

High Income	1 year (%)	3	5	10	Volatility	Yield
Aberdeen High Income	1114	2446	1850	-	5.8	7.8
Shires Income	1087	2118	1882	8	5.4	4.5
Dartmoor	1124	2113	2383	-	4.1	9.2
Glasgow Income	1082	1988	1915	8	5.1	4.7
Aberdeen Convertible Income	1008	1843	1234	-	5.1	8.8
SECTOR AVERAGE	1074	1837	1780	-	5.3	7.2

Venture & Devt Cap	1 year (%)	3	5	10	Volatility	Yield
Foreign & Col Enterprise	1189	3285	4659	-	8.5	1.5
Candover	1101	1930	3984	-	7.1	2.9
Electra	1181	1574	2587	12	5.8	1.8
Dartmoor Enterprise	1022	1926	2245	10	3.0	4.6
3i Group	1113	1577	-	-	4	5.3
SECTOR AVERAGE	1040	1477	1991	-	5.2	2.9

North America	1 year (%)	3	5	10	Volatility	Yield
Edinburgh US Tracker	1224	2057	2452	8	4.9	0.8
Fleming American	984	2017	2061	16	5.0	0.5
US Smaller Companies	897	1307	1732	17	6.7	-
Foreign & Col US Small Co	1004	1280	1707	13	5.8	-
North Atlantic Small Cos	778	1203	1709	23	5.9	-
SECTOR AVERAGE	880	1480	1814	-	6.4	1.1

Europe						
Charter European	1081	1976	2888	11	6.2	1.4
Henderson EuroTrust Units	1088	1902	2435	5	6.5	0.9
Pharos European	1052	1873	2518	-1	6.5	0.4
Pharos European	981	1852	1914	7	7.2	-
EU European Growth	984	1786	2429	8	7.0	0.9
SECTOR AVERAGE	967	1669	2002	-	6.7	0.8

Authorised Investment Funds

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**AUTHORISED
INVESTMENT
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Unit Trusts and OEICs (Open-ended investment companies)

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	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	99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OFEX FACILITY

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(Print): Copying, photocopying, and gross profit for clients to calculate total and other. (Print): ADAMS/PROTON reports can be obtained on computer from a
 (BAGAD) office are located in Houston, TX 77055-2500 and in London, UK and 71-71-400-9000.
 A complete list of the firm, Annual Report, and telephone will be 770-770-7700. For further details please see Share Price page.

Guide to pricing of Authorised Investment Funds

Compiled with the assistance of AUTIF SS
All funds within this section, whether OEICs or unit trusts are
authorized in the UK by the Financial Services Authority
The prices quoted should only be used as a guide.

DEIC: Open-Ended Investment Company. Similar to a

Share Classes: Separate classes of shares are denoted by a letter or number after the name of the fund. Different share classes are issued to reflect a difference in expenses or investment objectives.

Initial charge: Charges made by a toll trust manager/operator to the buyer. Used to defray marketing and administrative costs, including engineering work and inspection/traffic. For toll system bids.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes management's bidbid spread.

Forward pricing: The letter F denotes that the company's members must at the price to be set at the next valuation. Inventory can be given an definite price in advance at the purchase or sale being carried out. The value ascribed to the membership over the next

Treatment of manager's periodic charges: Expenses incurred by the manager for the maintenance of his office, including telephone, postage and printing, are not deductible. The manager's periodic charges are not deductible. The manager's periodic charges are not deductible. The manager's periodic charges are not deductible.

Cell charges: The letter E declares that no cell charges from that manager/supervisor.

TIME: The time shown alongside the hand manager/operator's name is the time of the call from a CEC's validation point unless another time is

The bond prices published in this section are also available at the Financial Times web site, <http://www.FT.com>

ET MANAGED FUNDS SERVICE

● ET Online Help Desk: Prices not available over the Internet. Call the ET Online Help Desk on (404) 371-8723 (4378) for more details.

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FT MANAGED FUNDS SERVICE

Insurances, Money Markets and Other

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 1-844-5771-873/878 for more details.

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Offshore Funds and Insurances

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 6-44 770 873 4326 for more details.

FT MANAGED FUNDS SERVICE[illegible]

Offshore Insurances and Other Funds

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Serving Institutional Investors Worldwide

► MANAGED FUND NOTES
 The following fund offerings are scheduled and have already been sold in the \$25 million or more range. The fund's investment objective is to invest in securities of companies that are actively engaged in the development of new products and/or new markets. The fund's investment objective is to invest in securities of companies that are actively engaged in the development of new products and/or new markets.

17-1 Investment Capital Authority
 17-2 American Fund for Research
 17-3 American Fund for Research
 17-4 American Fund for Research
 17-5 American Fund for Research
 17-6 American Fund for Research
 17-7 American Fund for Research
 17-8 American Fund for Research
 17-9 American Fund for Research
 17-10 American Fund for Research
 17-11 American Fund for Research
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LONDON STOCK EXCHANGE

Balkan cares offset cheer from interest rates

MARKETS REPORT

by Steve Thompson,
K Stock Market Editor

JK stocks climbed back on the upside trail yesterday, but the celebrations to mark the twin interest rate cuts in the UK and the euro-zone on Thursday were short by worries about the Balkan crisis.

There was evidence too that the institutions were shifting away from the recently buoyant FTSE 100 constituents towards the market's second and third-rank stocks.

These included the house-builders, retailers and engineers,

all of which are heavily represented in the FTSE 250 and SmallCap indices and which are especially sensitive to interest rates.

And there were additional pressures being brought to bear on the market by the Department of Trade and Industry's blocking of the BskyB bid for Manchester United, which was being interpreted as stopping any future predatory moves against UK football clubs.

Adding to those worries was a rather staid story to trading in the US, where Wall Street fell away during early dealing.

Rate cuts in the UK and Europe plus Wall Street's march

to yet new records and the big gains in Asian markets saw the FTSE 100 drive through the 6,500 level shortly after trading commenced.

At its best, in mid morning, the FTSE 100 hit a record 6,512.1, as commentators forecast a continuation of the rally in the wake of the rate cuts.

But sentiment took a dive in mid-morning as reported comments by a senior Russian politician, suggesting a more aggressive Russian stance against Nato, saw stock prices retreat sharply.

The market's concerns about events in Kosovo plus a weak opening performance by Wall Street, saw the FTSE 100 back

down to a session low of 6,416.5, before a late rally helped the index to a closing level of 6,472.8 up 34.9 on the day.

That closing gain saw the Footsie finish a dramatic four-session week a net 142.8 or 2.3 per cent higher, with dealers noting the continuing surge of new money into the market, mostly reflecting the last throes of personal equity plan cash being pushed into shares.

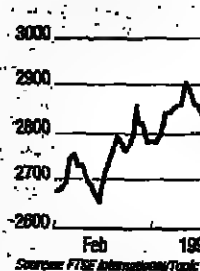
While the leading stocks closed well below the day's highs, the second-tiers were being strongly supported and the FTSE 250 index pushed up 49.5 to 5,583.5, extending the rise on the week to 128.2 or 2.4 per cent.

The small-caps were also never really threatened, with the FTSE SmallCap index 2.6 ahead at 2,423.5, after 2,424.8. Over the week the SmallCap index was up 18.31 or 0.8 per cent.

Marketmakers continued to take the view that the influx of new money into the market would see the leaders make further progress, although some strategists, citing increasing uncertainty around the view that valuations are now looking extremely stretched.

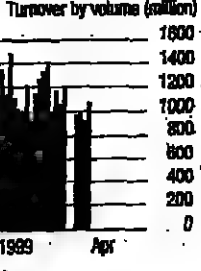
Turnover in equities at the 6pm cut-off point was a good 1.1bn, with non-FTSE 100 stocks accounting for just over half the overall total.

FTSE All-Share Index



Source: FTSE International

Equity shares traded



Source: FTSE International

Indices and ratios

Index	Value	Change	%
FTSE 100	6472.8	+34.9	+0.54
FTSE 250	5583.5	+49.5	+0.89
FTSE All-Share	2968.79	+18.2	+0.61
FTSE 100 Yield	2.27	-0.01	-0.43
FT 30	3942.2	+48.3	+1.23
FTSE Non-Fin p/e	26.95	-0.01	-0.04
FTSE 100 Div Yield	4.55	-0.01	-0.22
Long gilts/Equity yield ratio	2.02	-0.01	-0.50

FTSE 100 index

Index	Value	Change	%
Closing Index Apr 9	6472.8		
Apr 8	6437.9	+34.9	+0.54
Apr 7	6473.2	-35.3	-0.54
Apr 6	6415.3	+57.9	+0.90
Apr 5	6357.0	+58.3	+0.92
Apr 4	6298.7	+58.3	+0.92

TRADING VOLUME IN MAJOR STOCKS

Stock	Vol.	Value	Change
BP	1,240	1,240	+0.00
British Airways	1,240	1,240	+0.00
British Petroleum	1,240	1,240	+0.00
British Telecom	1,240	1,240	+0.00
BT Group	1,240	1,240	+0.00
BT plc	1,240	1,240	+0.00
BT Group	1,240	1,240	+0.00
BT plc	1,240	1,240	+0.00
BT Group	1,240	1,240	+0.00
BT plc	1,240	1,240	+0.00

EQUITY FUTURES AND OPTIONS TRADING

Contract	Open	High	Low	Close
FTSE 100	6472.8	6512.1	6416.5	6472.8
FTSE 250	5583.5	5633.0	5533.0	5583.5
FTSE All-Share	2968.79	3018.29	2918.29	2968.79
FT 30	3942.2	3992.2	3892.2	3942.2
FTSE Non-Fin	26.95	27.45	26.45	26.95
FTSE 100 Div Yield	4.55	4.65	4.45	4.55
Long gilts/Equity yield ratio	2.02	2.12	1.92	2.02

Sun gives financials kiss of life

By Joel Kizorek and Martin Brice

Better news business figures than expected from Sun Life and Provincial Holdings brought a sparkle to the life sector, sending the shares sharply higher.

Sun Life said its life and pensions operation, Axia Sun Life, recorded new business for the first quarter of 1999 of 149.1m, up 35 per cent on the same period of a year earlier. Figures excluding unit trusts revealed a 38 per cent improvement in the UK on a year earlier and a 86 per cent rise in the rest of the world.

The market was also cheered by a bullish statement about trading prospects, Ramon Flanagan at Charterhouse Securities said: "The growth was great. The maintenance of margins was especially pleasing."

Shares in Sun Life jumped 27 to 548.4p while those of Legal & General improved 37 to 783p. Prudential Corporation rose 31 to 848.4p after a trade of 5.5m.

P & O enjoyed a strong day, closing up almost 6 per cent or 62p at 978p after it displayed the growth available in the cruise market. P & O Cruises UK increased its load factor, and its Princess Cruises filled 14.1m of the 1.68m passenger berths on its fleet. The company, which recently announced its intention of concentrating on the maritime leisure business, also made a bullish trading statement.

British Airways benefited from recent traffic figures and closed up 27p at 472.5p, the best performer in the Footsie.

Radtrack, which has suffered from fears of increased regulation, recovered some

what and was ahead 59 at 512.5p.

Arjo Wiggins Appleton, the paper and packaging group, achieved the best performance in the FTSE 250 after it announced a restructuring. The stock closed ahead 13 per cent or 18p at 183.4p. Volume was the busiest in the Mid-Cap index.

Retailer Next saw brisk trade of 7m as it advanced 44p to 833p, with traders suggesting it was continuing to benefit from recent good figures from fellow retailer Oasis, which closed up 5p at 210p.

Computer networks and training group Ilion saw unusually busy trade as investors appeared to take the view that the acquisition of a stake by its former chief executive and a rival company presaged a hostile bid. The stock closed ahead 9 at 83.4p, as 1.4m were dealt.

Bids and bottom lines

Among smaller companies, the newsworld continued to focus on bids and profit warnings.

Booth Industries was down 9 at 30.4p as the oil services engineering group warned that profits would be hit by BP's decision to cut costs.

W F Electrical announced an acquisition and talked of difficult, competitive and testing trading. The stock fell 10.7p to 485p, its lowest for two years.

OXFORD INSTRUMENTS TRIED TO IMPROVE COMMUNICATIONS

The company talked of

MAIN MOVERS

FTSE 350

Stock	Value	Change	%
BP	1,240	+0.00	0.00
British Airways	1,240	+0.00	0.00
British Petroleum	1,240	+0.00	0.00
British Telecom	1,240	+0.00	0.00
BT Group	1,240	+0.00	0.00
BT plc	1,240	+0.00	0.00
BT Group	1,240	+0.00	0.00
BT plc	1,240	+0.00	0.00
BT Group	1,240	+0.00	0.00
BT plc	1,240	+0.00	0.00

FTSE 100 index

Closing Index Apr 9

Apr 8

Apr 7

Apr 6

Apr 5

Apr 4

Apr 3

Apr 2

Apr 1

Mar 31

Mar 30

Mar 29

Mar 28

Mar 27

Mar 26

Mar 25

Mar 24

Mar 23

Mar 22

Mar 21

Mar 20

Mar 19

Mar 18

Mar 17

Mar 16

Mar 15

Mar 14

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Mar 11

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Mar 6

Mar 5

Mar 4

Mar 3

Mar 2

Mar 1

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LONDON SHARE SERVICE

AEROSPACE & DEFENCE

Company	Price
Bombardier	104.50
Boeing	102.00
British Aerospace	101.00
Rolls Royce	100.00
BAE Systems	99.00
Lockheed Martin	98.00
Northrop Grumman	97.00
Raytheon	96.00
Thales	95.00
Westinghouse	94.00
General Dynamics	93.00
Boeing	92.00
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Boeing	5.00
Boeing	4.00
Boeing	3.00
Boeing	2.00
Boeing	1.00
Boeing	0.00

AUTOMOBILES

Company	Price
BMW	104.50
Mercedes-Benz	102.00
Volkswagen	101.00
Audi	100.00
Porsche	99.00
Ford	98.00
General Motors	97.00
Chrysler	96.00
Jeep	95.00
Subaru	94.00
Toyota	93.00
Honda	92.00
Nissan	91.00
Volvo	90.00
Peugeot	89.00
Citroen	88.00
Renault	87.00
Fiat	86.00
Alfa Romeo	85.00
Lexus	84.00
Infiniti	83.00
Acura	82.00
Isuzu	81.00
Mazda	80.00
Suzuki	79.00
Hyundai	78.00
Kia	77.00
Daewoo	76.00
Seat	75.00
Skoda	74.00
Škoda	73.00
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Škoda	7.00
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Škoda	4.00
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Škoda	2.00
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BANKS

Company	Price
Barclays	104.50
HSBC	102.00
London & Lancashire	101.00
Midland	100.00
Paragon	99.00
Royal Bank of Scotland	98.00
Santander	97.00
Westminster	96.00
Yorkshire	95.00
Bank of Ireland	94.00
Bank of Scotland	93.00
Bank of Wales	92.00
Bank of Cyprus	91.00
Bank of Greece	90.00
Bank of Italy	89.00
Bank of Spain	88.00
Bank of France	87.00
Bank of Germany	86.00
Bank of Japan	85.00
Bank of Korea	84.00
Bank of China	83.00
Bank of India	82.00
Bank of Australia	81.00
Bank of New Zealand	80.00
Bank of South Africa	79.00
Bank of Argentina	78.00
Bank of Brazil	77.00
Bank of Mexico	76.00
Bank of Peru	75.00
Bank of Russia	74.00
Bank of Turkey	73.00
Bank of Ukraine	72.00
Bank of Venezuela	71.00
Bank of Zimbabwe	70.00
Bank of Angola	69.00
Bank of Cambodia	68.00
Bank of China	67.00
Bank of India	66.00
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Bank of China	11.00
Bank of India	10.00
Bank of Japan	9.00
Bank of Korea	8.00
Bank of China	7.00
Bank of India	6.00
Bank of Japan	5.00
Bank of Korea	4.00
Bank of China	3.00
Bank of India	2.00
Bank of Japan	1.00
Bank of Korea	0.00

BEVERAGES

Company	Price
Asahi	104.50
Beck's	102.00
Carlsberg	101.00
Coca-Cola	100.00
Heineken	99.00
Kaiser	98.00
Miller	97.00
Pilsener	96.00
Stout	95.00
Tottenham	94.00
Watson	93.00
Yakult	92.00
Yonghe	91.00
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Yonghe	11.00
Yonghe	10.00
Yonghe	9.00
Yonghe	8.00
Yonghe	7.00
Yonghe	6.00
Yonghe	5.00
Yonghe	4.00
Yonghe	3.00
Yonghe	2.00
Yonghe	1.00
Yonghe	0.00

CHEMICALS

	Index	Price
Allied Domesex	79 1/2	487
Barr (MS)		480
Bulfinch (MS)		31 1/2
Burn Spacraft		17 1/2
Coca-Cola Beverages		160
Engen		600 1/2
Entertainment A.		57 1/2
H		567 1/2
Midland		28 1/2
5-1/2pc Cow Stalk Int		180
Kahn Y		770 1/2
Midway		50
Microbe (Veritas)		143 1/2
Sampson ES		837 1/2
Stout/Ames Brown		82 1/2

Techs rally as Wall St marks time

AMERICAS

Technology companies resumed their rally on Wall Street in early trading, although trends were mixed, writes John Authers in New York.

By mid-session, the Dow Jones Industrial Average had retreated slightly, down 40.24 at 10,157.45, while the Standard & Poor's 500, a broader gauge of the market, was barely changed, down 1.19 at 1,322.79. The Nasdaq Composite was up 9.07 at 2,582.46, leaving it in touch with the record it had set earlier in the week.

The fall in the Dow was mostly attributable to Union Carbide, the chemicals manufacturer, which slipped 1 1/2% to \$49.10, following an analyst's downgrade from Morgan Stanley Dean Witter.

Financial services stocks managed to avoid sell-offs despite their rally of the last few weeks, with Citigroup and American Express both up slightly for the day.

There were obvious attempts to take profits in several of the larger companies early in the morning, particularly American Express, which was down more than 3 per cent at one stage, but demand remained strong and none of the largest companies sustained serious falls.

Among the major technology names listed on the Nasdaq, Oracle, the software group, enjoyed the best rise, gaining more than 8 per cent, up to \$25.30.

Frenzied interest in Internet companies continued, with shares in The Globe.com, a New York-based Internet community

site, gaining 37 per cent or \$21 to \$81 after the company announced a stock split. Inktoni, which had announced improvements to its electronic shopping capability, gained 16.6 per cent or \$17.4 at \$122, while eBay, the largest Internet auction company, rallied more than 7 per cent or 12 1/2% to \$184.4.

TORONTO moved lower in early trading. Banks were steady and golds gained ground, but a number of heavyweight industrials followed Wall Street lower.

Both Seagram and Northern Telecom ran into profit-taking. Seagram, up strongly in recent sessions, fell \$3.65 to \$39.75 and Nortel gave up \$3.80 at \$310.70.

Elsewhere, Alcan Aluminium shed 40 cents to \$39.20 and leading conglomerate Canadian Pacific came off 20 cents at \$325.50.

In gold, Barrick rose 70 cents at \$255.05 and Placer Dome advanced 50 cents to \$316.05.

SAO PAULO continued to move lower in early trading, with a negative showing for the latest industrial production figures sparking further profit-taking. At mid-session, the benchmark Bovespa index was down 138 or 1.1 per cent at 11,328.

MEXICO CITY regained initial losses to chalk up a gain on the IPC index of 1.89 at 5,177.38 at mid-session. Brokers said an early wobble for the peso in the foreign exchanges had triggered the initial selling.

CARACAS was little changed at mid-session with most investors tracking the dull start on Wall Street. The IBC index was off 2.17 at 4,248.60.

Jo'burg turns higher

SOUTH AFRICA

Shares in Johannesburg reversed a two-day losing run to lift the all share index 1.1 per cent to 6,474.0. Golds held out against the rally, easing 0.7 per cent to 2,849.2.

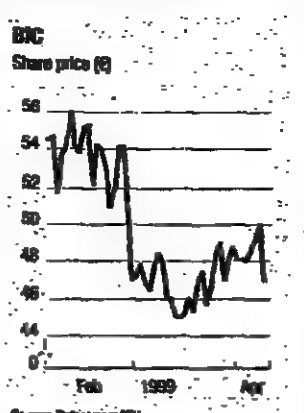
Financials put on 0.4 per cent at 9,064.8, while industrials improved 0.2 per cent to 7,115.9.

Anglo American added 4.1 per cent at R251.80 and Impala Platinum 5.8 per cent at R110.

EUROPE

Early enthusiasm, sparked by Wall Street's overnight record and the latest cut for European interest rates, faded and FRANKFURT ended well short of its peak.

At the close of trading, the Xetra Dax index was 66.18



higher at 5,133.92. The best of the day was 5,178.89.

Dresdner Bank rose €1.08 to €38.33 on a trading statement that forecast a return to earnings growth plus possible acquisitions in the current 12 months.

Retailers were the main

beneficiaries of the reduction in interest rates. Karstadt jumped €34.50 or 10 per cent to €276 as investors anticipated stronger consumer spending. Metro gained €1.05 to €63.19.

BASF was also in demand as investors, once again on the end of fixed-income reductions, sought out higher-yielding shares. The stock rose €2.47 to €38.90.

Preussag lost ground in the wake of a German press report that the group planned to tighten its grip on its TFI 6500-tonne steel mill by the state rail operator. It shed €18.9 to €50.9.

Among lesser caps, SGL Carbon surged €5.40 or more than 10 per cent to €50.20 on hopes that a number of US lawsuits were close to resolution.

PARIS failed to hold early gains sparked by the European Central Bank's surprise interest rate cut on Thursday, after Wall Street's weaker opening and fears about an extension of the Kosovo conflict turned sentiment around.

The CAC-40 settled 32.44 or 0.8 per cent higher to 4,983.14, after reaching an

all-time high of 4,416 in early trading.

Canal Plus, posted a hefty €11.50 gain to €285 on reports it had offered to buy satellite subscribers from Stream, a rival to its Italian operation Telepiu.

Telecom and technology issues were also strong, tracking overnight gains on

Wall Street. Alcatel added

€5.50 to €115.70. STMicroelectronics rose the same amount to €107.80.

Cap Gemini was €6.20 higher to €162.20 after news of its \$200m acquisition of US computer services company Beechwood.

Pen and lighter manufacturer Bic climbed after the company reported first-quarter sales down 6 per cent. It shed €3.10 or 6.2 per cent to €46.50.

AMSTERDAM ended virtually all square with the AEX

THE WEEK'S CHANGES

Share price (€)	% change
Frankfurt	+4.7
Zurich	+3.8
Paris	+3.1
Madrid	+3.1
Milan	+0.1
Amsterdam	+0.1

Dow performance inspires HK

ASIA PACIFIC

Shares in HONG KONG rose to a 15-month high, buoyed by Wall Street's record overnight close plus rumours - confirmed after market hours - of an imminent cut for local interest rates.

Amid strong foreign demand, the Hang Seng index rose 186.26 or 1.6 per cent to close within 5 points of its best of the session at 11,914.10. Turnover was again heavy at HK\$2.7bn.

Sentiment was also boosted by apparent progress in talks on China's entry to the World Trade Organisation. The civil aviation pact between China and the US sent Cathay Pacific up 66 cents or 6.9 per cent to HK\$10.10.

TOKYO saw the Nikkei 225 Average flirt with 17,000 for the first time since March last year, before slipping back, writes Paul Atkinson.

The average was almost unchanged, up 8.9 or 0.05 per cent at 16,855, after trading as high as 17,166 and as low as 16,827. The more representative Nikkei 300 fell 1.3 or 0.48 per cent to 268.5.

The Topix index of all first-section shares dropped 2.16 or 0.16 per cent to 1,342.91 in very heavy trading. About 1.34bn shares were traded. The momentum was up, with 715 first-section stocks up and 501 down.

The trading company sector was up 3 per cent in heavy volumes on news-

per reports that Sumitomo might acquire some of Nishio Iwai's operations. The sector was also boosted by a positive report by Nomura.

Sumitomo gained ¥82 or 8.8 per cent to ¥1,030 while Nishio Iwai rose ¥13 or 10 per cent to ¥173. Marubeni was up ¥24 or 8.9 per cent, and Itochu ¥38 or 12 per cent to ¥351, the second most heavily traded stock of the day.

Telecoms continued to advance, with the sector up 3.7 per cent. NTT DoCoMo, which recently had its initial public offering, rose ¥170.00 to ¥6,540.00. NTT rose ¥70.00 to ¥1,270.00.

Honda hit a red light after a story in the Nikkei suggested it might post net profits 10 per cent below expectations. Although the company refused to comment, the stock fell ¥5 per cent to ¥5,130.

In Osaka, the OSE index closed up 128 at 18,185.

BOMBAY continued to suf-

fer in the political fallout from the crisis-ridden coalition government. Brushing aside strong gains for regional markets, the BSE 30 index ended 56.88 lower at 3,442.54 for a two-day decline of more than 4 per cent.

JAKARTA surged 5.3 per cent, the steepest advance in the region, after armed forces commander General Wiranto offered guarantees that foreign investments would remain safe.

The composite index rose 21.21 to 421.21, boosted by gains in blue-chip stocks. Indian heavyweight Telkom added Rp200 to Rp3,150 while cigarette manufacturer Gudang Garam gained Rp650 to Rp12,700.

WELLINGTON finally caught up with other Asian markets, adding 48.85 or 2.3 per cent to 2,171.09 on the 40 capital index. Traders said interest rate cuts in Europe and stronger job recruitment data at home were underpinning the positive sentiment.

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COMPANIES & FINANCE

TELECOMMUNICATIONS TELECOM ITALIA SHAREHOLDERS WILL TODAY DECIDE FATE OF €60.4BN OFFER

Olivetti confirms readiness to drop bid

By Paul Hogg in Milan

Olivetti yesterday confirmed it would drop its €60.4bn (£45.4bn) hostile bid for Telecom Italia if the privatised telecommunications company's shareholders approve today a defence plan involving the conversion of Telecom Italia non-voting shares into common voting stock.

The smaller information technology and telecommunications company issued the statement on the eve of

Telecom Italia's all-important shareholders' meeting in Turin, after being asked by institutional investors to clarify the conditions of its offer. Europe's largest post-war takeover bid.

It also presented its bid prospectus to Consob, the Italian stock market regulator, which still requires completion before it can be approved by Consob and distributed to the market. Consob has 15 days to approve the prospectus once satisfactorily completed.

Franco Bernabe, Telecom Italia chief executive, said yesterday the necessary quorum of shareholders had been reached to enable today's meeting to take place.

Shareholders representing at least 38 per cent of the company's outstanding common shares will attend what is expected to be a marathon meeting.

The company needed to ensure participation of shareholders representing at least 30 per cent of the vot-

ing capital to hold the meeting. Its proposals also require approval by 30 per cent.

The government, which still holds a 3.4 per cent stake in Telecom Italia, yesterday reiterated its neutral stance.

Telecom Italia shareholders will vote on a series of issues including Mr Bernabe's longer-term strategic plan, as well as an arsenal of defensive measures such as the conversion of savings shares into common stock

and a large share buy-back. Mr Bernabe is also moving swiftly with his strategy of refocusing the group around its core telecommunications businesses.

Telecom Italia said it had reached a preliminary agreement to split the activities of Italtel, the telecommunications equipment manufacturer jointly held with Siemens of Germany.

Siemens will take over Italtel's radio, transport and mobile network operations, while the fixed networks

activities will go to Telecom Italia. However, Telecom Italia plans to sell these assets.

Separately, Olivetti's disposal two years ago of its loss-making personal computer activities continued to haunt the company after it was sued for £280bn (£129m, \$140m) over alleged misrepresentation by Centenary International, the company that acquired the PC business now in temporary receivership. Olivetti firmly denied the allegations.

Seagram wants to become the toast of Indian drinkers

Liquor giant hopes \$10m grain-based distillery will produce a whiskey people are prepared to pay for, writes Amy Louise Kazmin

In urban India, tipplers who cannot afford costly imported booze have traditionally imbibed spirits collectively known under the rather odd name, Indian Made Foreign Liquor. These brews mostly consist of molasses-based alcohol, flavoured to resemble traditional grain-based spirits like vodka, gin, and whiskey.

India's reliance on molasses-based spirits dates back before the late 1960s, when the country scarcely had enough grain to feed its population, let alone produce alcohol. Distilleries sprung up in India's sugar belt, where cane was relatively abundant.

But Seagram India, a 100 per cent subsidiary of the Canadian liquor giant, is betting that discerning Indian drinkers want the real thing.

This month, the company is due to begin operations at a \$10m state-of-the-art grain-based distillery in Nasik, in the western state of Maharashtra.

The facility will have the capacity to produce 16,500 litres of grain-based alcohol per day. Seagram plans to mix that with imported Scotch to deliver high-quality blended whiskeys at prices it hopes Indian consumers will be willing to pay.

This may be a challenge. Making grain-based alcohol normally costs at least 25 per cent more than distilling molasses, which is both cheaper to buy and ferments faster.

At times, the price difference can be as much as 80 per cent, although local liquor companies sometimes do use grain-based spirits if molasses are in short supply or unusually expensive.

Several Indian-owned bulk grain alcohol plants were set up in the late 1980s and early 1990s, but have been forced to shut down or curtail production due to lack of demand for their higher priced products.

Seagram does not have the option of using molasses because their official licence to operate specifies they can only use grain-based spirits. But since they started operations a few years ago, Seagram, using grain-based spirit bought from bulk producers, has priced its products at about the same price as rival Indian blends of imported Scotch and molasses-based alcohol.

That has prompted some grumbling of unfair competition by Indian rivals who say that the Canadian parent has subsidised its Indian subsidiary by providing Scotch at a discounted price.



Since imported whiskey is taxed at more than 200 per cent, any cost advantage Seagram enjoys in the imported Scotch component of their blends is multiplied by savings in taxes.

"The day the foreign company discontinues subsidising it, these people will find it extremely difficult to sell their product," says a consultant to local grain spirit producers.

Seagram declines to comment on whether they plan to subsidise their products to keep prices down. Ashok Swarup,

head of Seagram India, says the company is doing whatever it has done all over the world to build business.

As part from price, some industry watchers say Seagram may be up against other hurdles in India. It could be tough to persuade Indian consumers to pay more for grain-based alcohol in the long run. And restrictions on advertising alcohol products will not help either.

Meanwhile the plan to turn grain into alcohol has also

also appalled radical leftists. As raw material, Seagram will annually use some 13,000 tonnes of low grade or damaged coarse grains, like sorghum and millet. The leftists object to the company's claims that such grains had previously been going to waste.

"It's disgusting," says Vandana Shiva, director of the New Delhi-based NGO Research Foundation for Science, Technology and Ecology.

"To define the most nutritious foods - which are mil-

lets as waste - and to define food eaten by the poorest people as not fit for human consumption basically means you don't count the poor as people."

Ms Shiva, firmly opposed to the continuing shift of Indian farmers from subsistence farming into cash crops, says she is lobbying Seagram headquarters in Canada, urging them to rethink their India plans.

But Seagram is not looking back. With its whiskey sales projected at about 1.5m cases for the coming year, Mr Swarup is confident of a growing market.

Virendra Sheoran, director of R&D for Seagram, says the distillery will benefit marginal farmers, who will be able to earn at least 20 per cent more by selling coarse grains directly to the company.

Seagram also plans to get some 10,000 farmers cultivating a special hybrid, high-yielding sorghum within the next three years.

With the seeds already developed, Seagram intends to work with government extension services to get them to the farmers, and advise them how to get the best results.

Seagram is looking at India for the long term, says Mr Swarup.

NEWS DIGEST

USA

Sun Healthcare to cut costs after \$761.7m loss

Sun Healthcare, the troubled US healthcare group, yesterday reported a \$761.7m loss for the fourth quarter and said it would cut 10,000 jobs, freeze wages, sell certain assets and trim debt. The Albuquerque-based company, which operated 614 long-term care facilities as of the end of 1998, said its per-share loss was \$13.34, including charges. The 1998 deficit, on revenues of \$780.2m, included a \$397.5m "non-cash impairment charge". The 1997 fourth-quarter loss amounted to \$18.4m, or 39 cents a share, on revenues of \$678.5m.

Sun said it expected its cost-cutting initiatives to yield savings of \$400m once they are fully implemented. The group also said it was currently out of compliance with certain credit agreements. The stock dropped \$4 to \$3 in morning trading. It was valued at more than \$20 at the beginning of last year, John Authers, New York.

BIOTECHNOLOGY

Genentech seeks settlement

Genentech, the California-based biotechnology group, is in talks with the US federal government to settle an investigation into its marketing practices for the human growth hormone Protopin. Under terms of the settlement, the company would pay \$50m and a criminal fine for illegal promotion of the drug in the late-1980s and early-1990s.

Genentech has been accused of marketing the drug for uses not approved by the US Food & Drug Administration, namely its administration for cosmetic reasons to children who were short but otherwise healthy. Genentech, which announced the negotiations yesterday, said it wanted to bring closure to shareholders and avoid more distraction for the group. Protopin was introduced in 1985 as a treatment for dwarfism. A study later found that up to 40 per cent of users were taking the drug for other reasons.

Victoria Griffith, Boston

NORWAY

Aker Maritime shares suspended

Shares in Aker Maritime, the oil service unit of Aker RGI, the Norwegian conglomerate, were suspended yesterday on the Oslo stock exchange after surging 15 per cent ahead of an announcement that the company would be sold or merged. In a joint statement, Aker RGI said it had decided to start talks with various other participants in the oil and gas industry on the possible sale or merger of Aker Maritime, which had sales last year of Nkr20bn (\$2.57bn).

Aker RGI said it had been contacted by several interested companies and hoped to reach a deal by the end of the second quarter. ABB, the Swiss-Swedish engineering company, and Italy's Salpa are understood to be interested in the company.

Kjell Inge Rokke, chairman and majority owner of Aker RGI, had signalled last week in a Norwegian newspaper interview his willingness to sell the company at a suitable price. The shares jumped Nkr10 yesterday to Nkr75. Valeria Skold, Oslo

FT/SP ACTUARIES WORLD INDICES

The FT/SP Actuarial World Indices are compiled by FTSE International Limited, London, and Standard & Poor's, New York. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Society of Actuaries and the Institute of Actuaries.

NATIONAL AND REGIONAL INDICES	FTSE	SP	FT/SP	FTSE	SP	FT/SP
World	100.00	100.00	100.00	100.00	100.00	100.00
North America	100.00	100.00	100.00	100.00	100.00	100.00
Europe	100.00	100.00	100.00	100.00	100.00	100.00
Asia	100.00	100.00	100.00	100.00	100.00	100.00
Latin America	100.00	100.00	100.00	100.00	100.00	100.00
Middle East	100.00	100.00	100.00	100.00	100.00	100.00
Africa	100.00	100.00	100.00	100.00	100.00	100.00
Oceania	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 100	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 250	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 350	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 400	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 450	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 500	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 550	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 600	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 650	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 700	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 750	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 800	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 850	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 900	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 950	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1000	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1050	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1100	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1150	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1200	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1250	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1300	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1350	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1400	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1450	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 1500	100.00	100.00	100.00	100.00	100.00	100.00
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FTSE 1950	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2000	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2050	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2100	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2150	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2200	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2250	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2300	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2350	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2400	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2450	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2500	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2550	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2600	100.00	100.00	100.00	100.00	100.00	100.00
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FTSE 2700	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2750	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2800	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2850	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2900	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 2950	100.00	100.00	100.00	100.00	100.00	100.00
FTSE 3000	100.00	100.00	100.00	100.00	100.00	100.00

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FTSE GOLD MINES INDEX

	Apr. 6	1 mo. chg.	Apr. 7	Year	Gross ore yield %	Total returns	12 week High	Low
	\$	on day						
Gold Mines Index (20)	889.28	-1.74	894.22	2268.19	2.38	847.55	1351.57	701.58
By Regional Indices								
Africa (9)	970.67	-1.59	984.57	1267.22	4.21	939.21	1498.04	765.63
Asia (2)	1837.37	-7.47	1853.37	1467.31	2.91	1592.57	1600.53	815.93
Australia (1)	709.71	-1.93	713.63	1265.36	0.96	761.88	1317.41	847.97

Partner pool plan to keep Goldman cachet

By Tracy Corrigan
In New York

Goldman Sachs, the investment banking partnership set to become a public company next month, is creating a shadow partnership in an effort to preserve the firm's cohesive culture and elite status following its initial public offering.

Goldman has set up a "partnership pool" that will continue to link compensation for high-fliers to the performance of the company after the IPO. It is also designed to preserve the aspirational element of a Goldman partnership, which has motivated Goldman bankers to work harder and longer than their peers.

Initially, the firm's existing 221 partners will be part of the pool, which will then be expanded to include the company's rising stars.

A Goldman partnership has been viewed as the premier financial and social prize on Wall Street, making it difficult

for other securities firms to recruit staff from Goldman. But Goldman executives are worried - and their competitors are hoping - that the mystique surrounding Goldman will disappear when it becomes a public company.

In the past, Goldman partners' base salaries have been a relatively modest (by Wall Street standards) \$300,000 annually. But they have reaped millions from their partnership stakes. Partnership pool participants will be allocated a percentage of the pool for annual bonus payments on top of base salaries.

"One of the reasons it is difficult to hire out of Goldman historically is that the partnership was unique on the street," said Laura Lofaro, an executive search consultant at Sterling Resources. "After the IPO it will be like any other Wall Street firm."

As a public company, base salaries for former partners will be higher and will be based on merit, rather than

standardised. But as a public company Goldman will have to disclose compensation details previously kept hidden.

The plan is described in Goldman's prospectus, issued last month, as a "partnership plan" intended to "perpetuate the sense of partnership and teamwork that exists among the firm's senior professionals. Individuals will be selected to participate for a one or two-year fiscal cycle and will be allocated a percentage interest in the pool for annual bonus pay."

Separately, a Goldman investment fund is expected to invest \$250m in Kookmin Bank, South Korea's largest retail bank. A group of other private equity funds will invest a further \$250m, which with the Goldman stake will account for around 20 per cent of the Korean bank, according to people close to the situation. An announcement is expected next week.

See L26

UBS fund arm buys car parts maker for \$450m

By Peter Marsh

A venture capital fund controlled by UBS, the Swiss bank, has become Europe's biggest independent supplier of automotive castings following its FF2.5bn (\$450m) acquisition last night of Valfroid, a leading French car parts maker.

The deal, by London-based Philwre Ventures, underlines the continuing consolidation of the European vehicle components industry.

Philwre signalled last year its keenness to participate in the restructuring of the industry through an \$80m (\$125m) deal to buy Triplex Components, a UK castings supplier.

Ruth Storm, a Philwre partner, said the group was planning to buy more castings makers, particularly in Germany and Spain, and was interested in acquisitions in the US.

Production across Europe of metal castings for the automotive industry - used in parts such as engines and gear boxes - is estimated at some \$5bn a year. Roughly half comes from plants controlled by the car and truck makers, with the rest left to independent suppliers.

But there is growing pressure on Europe's mainly small and privately-owned makers of cast vehicle parts to pool their efforts, partly from the desire of the vehicle manufacturers to deal with fewer suppliers.

Valfroid, based in Paris, employs more than 10,000 people in 36 plants in France, Germany and Spain. It had sales last year of FF6bn, mainly to French-based customers. Taking into account Triplex, the companies controlled by Philwre will have total sales of castings worth some \$200m a year.

Philwre is buying Valfroid in a deal that awaits European Union approval from a shareholder group in which the controlling stake is held by Michel Coenraets, a French automotive entrepreneur. The company supplies car makers such as Renault, Peugeot, Volkswagen and General Motors, while Triplex's customers include Rover, Ford and Jaguar.

Dresdner's acquisition moves gather momentum

By Ute Harnischfeger in Frankfurt

Dresdner Bank, Germany's third largest, yesterday signalled it was preparing a large acquisition when it announced plans to increase its core capital by DM2.5bn (\$1.53bn) (£1.4bn) in May.

At its annual earnings press conference, the bank said it had concrete plans in Europe and was seeking to expand its investment banking business in the US.

"We are active in a concrete way - we are beyond [the stage of] considering and analysing acquisitions," said Bernhard Walter, chairman.

Given the scale of Dresdner's expansion plans in Europe, Mr Walter said, it would not be feasible to build its own activities from scratch. Instead, he said the recent consolidation wave in France and Italy "opens the door for us and offers new opportunities".

Mr Walter said Dresdner was adopting a wait-and-see attitude regarding Banque Nationale de Paris's bid for Société Générale and Paribas, but he "could certainly imagine increasing its cross-shareholdings with BNP". Dresdner and BNP hold about 1 per cent in each other and co-operate closely.

Analysts said Dresdner's plans to boost its capital suggested a large acquisition was close. They noted that Dresdner's core capital ratio was already at a healthy 6 per cent and there was little need to increase it.

"Since there is no real need to increase its core capital ratio, the step looks like a preparatory move," said Konrad Becker, analyst at Merck Finck in Munich. He added that he thought Dresdner's first step would be to buy a US investment bank.

Dresdner Bank said it planned to increase its core, or Tier 1 capital, by issuing what it described as "hybrid" securities. Tier 1 is used to calculate a bank's core capital ratio, which usually drops after an

acquisition. Holders of the new hybrid securities will receive a regular interest payment but no dividend, since they will not own a stake in Dresdner. The bank, which said the format was the cheapest way of raising its capital ratio, will sell the bulk of the paper to US investors.

Dresdner said yesterday that 1998 net profit rose 55.4 per cent from DM1.20bn to DM1.98bn, mainly because of lower tax payments, which fell DM600m in 1998. The bank had earlier reported that pre-tax profit fell 6.5 per cent to DM2.62bn from DM2.81bn in 1997. In the corporate customer business, pre-tax profit fell 19.6 per cent to DM2.63m, after it increased risk provisions by 53 per cent to an overall DM2.2bn in 1998.

Dresdner added that it had postponed its planned listing on the New York Stock Exchange from the second half of this year to 2000, but the move was not linked to plans for a possible US acquisition.

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Markets Latest

FTSE 100	6,472.8	(-34.8)
Yield	3.19	
FTSE Europe 300	1,294.5	(-6.07)
FTSE All-Share	2,393.7	(-10.79)
Nikkei	10,975.69	(-63.94)
New York Composite	10,193.2	(-57.40)
DAX	1,543.0	(-10.30)
London Money		
3-mo interbank	5 1/4%	(5 1/4%)
Life long gilt (4%)	118.30	(117.27)
US LUMINANCE RATES		
Federal Funds	4.875%	
3-m Treasury Note	4.375%	
Long Bond	97 1/2	
Yield	5.49%	
NORTH SEA OIL (Aegion)		
Brent Dated	914.25	(13.25)
Gold		
New York Comex	320.15	(20.7)
London	320.1	(27.95)

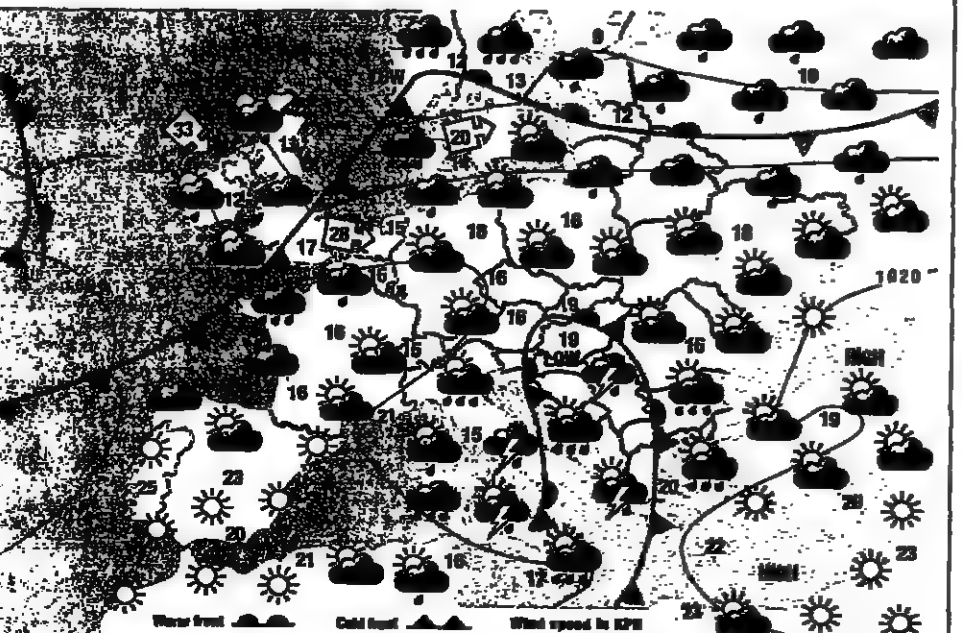
Weather

Europe today

Northern Scandinavia will have snow. Most other parts of the region will have showers. Denmark and southern Sweden will become bright and warm for a while after early rain. Rain over the British Isles will push into some other north-western regions, but much of western and central Europe will stay dry with some sunshine. Eastern Europe will have sunshine and will be warm. The Iberian peninsula will be sunny, and the Levant should stay fine. Italy, Greece and the Balkans will have heavy, thundery showers.

Five-day forecast

Thundery rain will spread to the eastern Mediterranean, and will return to central areas by Tuesday. Much of the Iberian peninsula will stay fine, but, as the week goes on, rain will spread further south across the European mainland as a northerly low sets in. Easternmost areas should be dry until midweek.



TODAY'S TEMPERATURES

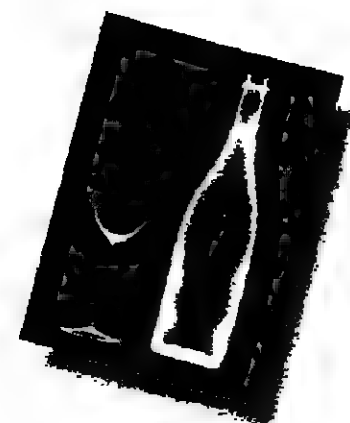
	Maximum	Barcelona	Sun	19	Cardiff	20	Edinburgh
	Coldest	Belfast	Sun	20	Galway	20	Glasgow
40 Dussel		Belfast	Mon	21	Galway	21	Glasgow
40 Dussel	Fri	Belfast	Mon	21	Galway	21	Glasgow
40 Dussel		Belfast	Tue	22	Galway	22	Glasgow
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A little tenderness
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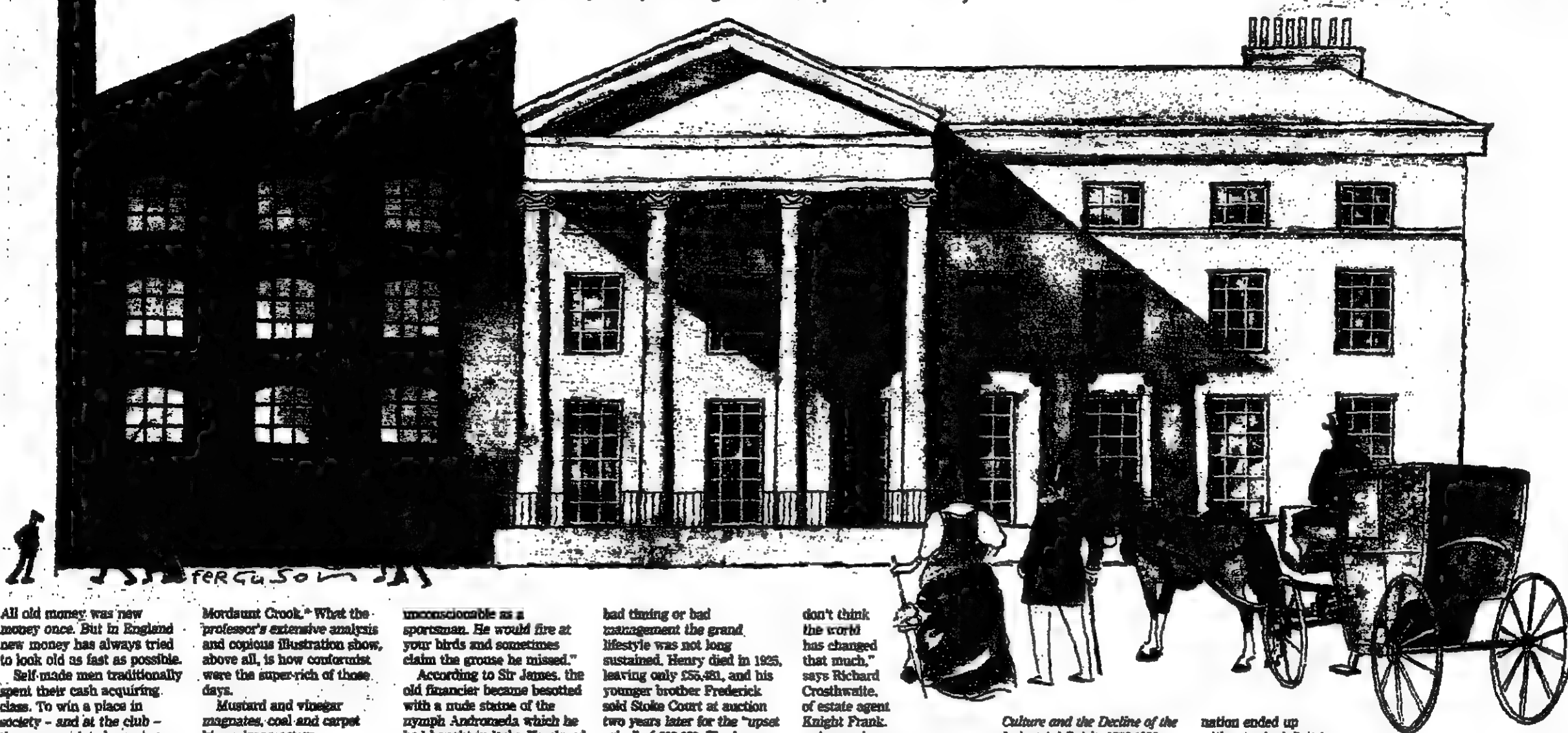
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In a class of their own making

Self-made men once bought their way into high society. They no longer bother, reports Christian Tyler



All old money was new money once. But in England new money has always tried to look old as fast as possible. Self-made men traditionally spent their cash acquiring class. To win a place in society - and at the club - they accumulated country mansions, London residences, Scottish estates and aristocratic spouses for their sons and daughters.

It is a measure of the change in British attitudes that today's new-rich - self-made in many ways as they still are - show little desire to join the Establishment. No longer seems worth joining.

Recently, the Danish chief executive of a British pharmaceutical company was revealed to be in line for an estimated \$90m worth of share options and bonuses. Jan Leachly, once a top tennis player, found himself holding the British record for a manager's pay and perks. If and when he cashes it in, people asked, what will Leachly do with all that money?

A hundred years ago, the question would have answered itself. The millionaires of the Victorian age - the richest men in the world's richest country - could not wait to leave behind their roaring furnaces and grimy labourers. They wanted to be country gentlemen with fountains playing on the terrace and deer grazing in the park.

Christian Allhusen was one of the richest industrialists in England in the last century. He, too, was Danish and, like Leachly, was often dubbed "the Great Dane". The immigrant son of a corn merchant in Kiel, and of German ancestry, he arrived at Harwich in 1855, aged 19. Six feet tall, with a vaccination certificate and a few shillings in his pocket.

The chemical works he built on Tyneside was the largest of its kind in the world, covering 137 acres and employing 2,500 men. After his death, the business became part of United Alkali, which in turn was a founder constituent of Imperial Chemical Industries. When Allhusen died in 1890 he left the then prodigious sum of £1,126,682. Is. 10d, worth about £58m today. Allhusen makes a brief appearance in the company of a score of better-known names in the pages of the *Nouveau Riches*, by the architectural historian Professor Joe

Mordant Crook. "What the professor's extensive analysis and copious illustration show, above all, is how comfortable were the super-rich of those days.

Mustard and vinegar magnates, coal and carpet kings, ironmasters, shipbuilders, gun and alpaca salesmen, haberdashers, brewers, bankers, traders - all bought or built country mansions, engaging tame architects to create similar neo-classical piles. They stuffed their rooms with the same French furniture, cultivated the same society hostesses, enjoyed the same country pursuits and joined the same London clubs.

Unpublished family archives and the few published records show that Christian Allhusen, never one to throw money about, was no exception. His first step up the social ladder was to buy Elswick Hall on the Tyne, a stone mansion rebuilt in 1803 in the Greek style, which he filled with sculptures. (Only the park remains.)

But local prestige - directorships, the town council, the chamber of commerce - was not enough. He became a free trade advocate and roving trade negotiator in continental capitals.

In 1872, at the age of 65, Allhusen left Tyneside for good and moved south.

They wanted to be country gentlemen with fountains playing on the terrace and deer grazing in the park

buying Stoke Court outside Slough, a mansion built over the red brick house in which the poet Thomas Gray once lived. He acquired a family pew in the church at Stoke Poges and a family vault in the churchyard (where Gray wrote his famous *Elegy*) for himself and his heirs.

The house was surrounded by a park of 1,000 acres; beyond a chain of four lakes stretched a long view to Eton and Windsor. Allhusen acquired a coat of arms and a motto ("Devant si je puis") which he inscribed over the front door of his new wing. He joined the Reform Club, and he took up shooting.

"His ardour as a sportsman was not equalled by his capacity," wrote his friend Sir James Denham in 1922. "Although commercially he was a man of illimitable integrity, he was absolutely

unconscionable as a sportsman. He would fire at your birds and sometimes claim the grouse he missed."

According to Sir James, the old financier became besotted with a nude statue of the nymph Andromeda which he had bought in Italy. He placed her on a pedestal in the room where guests assembled for dinner. "The young girls did not like it. Neither did Mrs Allhusen."

By 1908 the chemical works was derelict, its sheds used to house chickens, and a new technology had forced alkali manufacture to move to Tyneside. Nor did Allhusen's large fortune long outlive him, even if the benefits of his legacy were still being felt four generations later. But if the family's income was already beginning to decline, its social status was certainly rising.

Christian's heir was Henry Eden, his grandson, chosen by the old man when the eldest of his 11 children, Henry Christian, died before his father at the age of 36.

Henry went to Trinity College, Cambridge, shot rhino in Kenya and became an MP, first for Salisbury and then for Hackney. In 1898 he married Dorothy Stanley. Her mother was a society hostess descended from Scottish clan chiefs, the MacLennans of Seaford, the bulk of whose vast Highland estates had been sold off 50 years before.

Her father was a Stanley of Alderley, a prominent and well-connected "old" political family. Bertrand Russell, the philosopher earl, was her first cousin.

Among the guests at their wedding in St George's, Hanover Square, according to one family memoirist, were a son of Queen Victoria, the prime minister Lord Salisbury, the Lord Chancellor Lord Halsbury, Lord and Lady Rothschild, Ellen Terry and Henry Irving.

The visitors' book at Stoke Court filled up with famous signatures: politicians such as Joseph Chamberlain, FE Smith and Winston Churchill; writers such as Thomas Hardy, John Buchan, Somerset Maugham and John Galsworthy. Judges, actors, generals and painters made up the score.

Whether through bad luck,

bad timing or bad management the grand lifestyle was not long sustained. Henry died in 1925, leaving only £55,851, and his younger brother Frederick sold Stoke Court at auction two years later for the "upset price" of £15,000. The house was turned into a country club, lay derelict for a while, and was saved by the US company Miles Laboratories in 1959.

The nude Andromeda, moved out of doors, has gone. The four lakes have dwindled to one pond, the 1,000 acres to 27, and the house, handsomely maintained, is now the UK conference centre and laboratory of Miles' subsequent owner, the German chemical giant Bayer. In the rooms where high society once lounged, chemists now work on cures for asthma.

It is a curiously appropriate outcome. Friedrich Bayer started in much the same field as the man whose house his company now occupies. He set up his aniline dye works in 1863, when Allhusen was in his prime, having recently pulled off the financial coup of his career in rescuing the Cornhill iron works from a bank failure, and about to turn his own chemical business into a joint stock company.

Although two Allhusen sons and a nephew went into the firm, the lure of country life proved stronger in the end. While the name of Bayer survived to become world-famous, that of Allhusen is today all but forgotten.

Today's nouveaux riches still like to make a splash, especially with their houses. But the scope of their ostentation is far wider than a century ago. They come from a much more varied background - there are pop stars, porn kings, film stars, sports stars and company managers as well as industrial entrepreneurs and financiers.

Smaller staffs and bigger security threats have conditioned the architecture. Houses tend to be smaller, and house parties are much rarer. But for a British multimillionaire a country house, preferably near an airport, is still a high priority - and the Thames Valley is as popular today as it was in Allhusen's time.

Next comes a holiday home in the South of France or the Caribbean, a villa in Gstaad or St Moritz, a shooting lodge in Scotland and a flat in Belgravia. "In a funny way, I

don't think the world has changed that much," says Richard Crosthwaite, of estate agent Knight Frank.

A mansion, even a bungalow mansion, is still useful for intimidating business rivals, impressing friends and storing treasures. "If you want to get a good deal, it helps to make your opponent walk across a 60ft hall and past a wall of power pictures," Crosthwaite said. "His estimate of your worth will have gone up a lot by the time he gets to you."

The neo-classical remains popular - pillars, pediments and sweeping staircases seem never to go out of fashion. Craftsmanship is still in demand: rare marble, exotic wood, fine statues and ornaments. So, too, is good engineering, for the sophisticated heating, lighting and communication systems which hum behind the rich man's panelling.

Racing and polo have joined shooting and fishing for recreation, though these days the mobile rich prefer to rent rather than buy their sporting acres. Because staff are expensive - and perhaps less trusted, too - the parvenu makes more use of hotels, private jets, private yachts and fancy cruise lines.

He still likes to send his sons to Eton and see his daughters married "well". But political ambition has grown thin. New money these days is more likely to be maverick, to sponsor a single-issue campaign, like the late Sir James Goldsmith's anti-Europe party, than to seek absorption into the political establishment. The impulse to public service seems to have waned; today's nouveau just does not stay in one place for long enough.

As for the family pew and vault, they have all but disappeared - but not quite. The property multimillionaire Nicholas van Hoogstraten, sometimes described as the most unpopular landlord in Britain, is building himself a tomb at his £30m Sussex mansion, a house that threatens to grow bigger than Buckingham Palace.

Some historians claim that passion for gentrification is behind the industrial decline and loss of political power suffered by Britain this century.

Nearly 20 years ago, in a much-discussed book, *English*

Culture and the Decline of the Industrial Spirit, 1850-1950, Martin J Wiener suggested that industrialists had signed an unholy pact; in return for securing a place beside the aristocracy, they learned, and bequeathed to their heirs, an aristocratic disdain for business. No wonder the world's leading manufacturing

nation ended up with a trade deficit in manufactures.

Does Wiener's thesis still apply to Britain? Probably not. If someone were to subject today's nouveaux riches to the same scrutiny Mordant Crook has given the Victorians, he would find many similarities on the

surface. Underneath, however, he would find a big difference: there is no aristocracy worth joining, as the Duke of Devonshire has said. And there is no more shame about new money.

*John Murray, May, £25.

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PERSPECTIVES



ETHICS TODAY JOE ROGALY

We are a far from globalised globe

Goodbye smoke signals and semaphores, hello mobiles and mouse-clicks. But only relatively few of us are on the line

You do not often get certainties for free, not even on a weekend. Yet here we are, soppy as ever, handing out one sure-fire, cast-iron, irrefutable proposition, at no charge whatsoever.

It is this: nobody knows what is going to happen next. The future is a perpetual mystery. We should hold on to this observation whenever we are tempted to talk airily, as on occasion we do, about where humanity is placed. We can guess, but we can never really know.

We were reminded of this wise counter-revelation as we listened to Anthony Giddens on Wednesday night. Professor Giddens was delivering the starter of five 1989 Reith Lectures on BBC Radio 4. Although these annual broadcast perorations are generally regarded as distinguished, their quality varies. The very first

Reith was given in 1948 by Bertrand Russell, a philosopher whose crystal ball was, shall we say, cloudy.

We are in no position to say whether the same is true of our professor, who has written more than 30 books and is currently Director of the London School of Economics. A flick through the database references to his published work suggests that it has not met with universal approbation, but we traders in ideas should take care before pelting one another with aspersions.

Let us, rather, attend to the nub of the matter, to what Professor Giddens actually says. He has entitled his lectures *Runaway World*; a more down-to-earth label than Alvin Toffler's *Future Shock*, which first startled us in 1970. My understanding of what he has to tell us is not

wholly unfamiliar, even to those who never read Toffler: the world is changing, at an accelerating pace. It is becoming globalised.

The particular reason this is so is the advance in communications technology. Let us all talk to one another and everything

it". The assertion is debatable. Some of us harbour carrier-pigeons, hilltop bonfires, Red Indian smoke signals and semaphores in our imaginations. Never mind. We know what the prof is getting at: The Morse code finally fell into

An upper crust has enveloped the world, uniting the affluent, wired and literate, leaving the rest where they always were, underneath

becomes different.

We are reminded that about 150 years have passed since Samuel Morse tapped out his first electric telegram. "Never before," says Professor Giddens, "could a message be sent without someone going somewhere to carry

disuse in February, just a few short years after satellites, computers, the internet, mobile telephones, mouse-click transfers of mountains of virtual cash - the whole globalisation shebang - came into focus. Instantaneous delivery of messages made the

supranational economy possible, transmogrified the nation-state, altered our conditions of existence. The world is running away from us. I summarise, doubtless unfairly, the essence of a carefully composed lecture.

We may now leave the Giddens text, ready to hear the next instalment, on risk, at 8pm next Wednesday. It was recorded in Hong Kong and you can read all about it on www.bbc.co.uk/reith99. Thus, having wandered away from our guide, we find ourselves on an untidy planet, surrounded by well-known phenomena, such as free trade, Americanisation of everything, the breathless pace of scientific discovery. We are on our own.

I am not about to use this solitude as an opportunity to debunk the received wisdom of the day. We all live within or in the

shadow of the American empire. It is powered by the capitalist juggernaut, everywhere triumphant. Its electronic links are the equivalent of the Roman roads, binding together and homogenising diverse cultures. Like it or not, and those of us who are beneficiaries quite like it, we have to make our way as best we can within this present reality.

It is inaccurate, however, to talk of these developments as "globalisation". That implies that everyone is more or less equally affected. Better to refer to a global crust, a topping that unites the affluent, wired, literate elite of our species, while leaving the rest of the population where it always was, at the bottom.

The upper crust has enveloped the earth. Its inhabitants travel limousine, business and first class, everywhere. They are ever

moving, from grand hotels to palatial homes and air-conditioned offices, feet barely touching the ground.

We might welcome this; some of us certainly enjoy it. We are more comfortable, however, when we assure ourselves that the crust will thicken, deepen, taking in an ever larger proportion of humanity. We squirm when confronted with the notion that globalisation is a fancy name for social, political and economic Darwinism, the elevation of the rich at the expense of the destitute.

What really troubles us is the sense that, as our knowledge of how to create wealth increases, our understanding of social relations, our moral sense, fails us. All previous empires have eventually collapsed. The present one is more powerful than all its predecessors combined. But it, too, is in need of ethical moorings.

We may be entering the century of the decline and fall of American civilisation, the end of a period of scientific and economic change that originated in Europe. Then again we may not. You never know.

joe.rogaly@ft.com



Conor Cruise O'Brien: "I went for a walk after my call for union with the North was publicised, and about half the people who came up to me said they agreed with me, and the others said they didn't, but amiably"

ENCOUNTERS WITH THE FT

Alone with his views and his mind

John Lloyd meets Conor Cruise O'Brien, Irish political maverick and thinker who, at 81, is still stirring up his countrymen with his ideas on the unity of Ireland

A horror underlies the present period of neither peace nor war in Northern Ireland. It is that the republican movement, which has been given until Tuesday to respond to the declaration on April 1 by the British and Irish governments that the IRA had an "obligation" to disarm, responds by rejecting it and choosing war.

Northern Ireland would then descend again into the pit.

Should this happen, an octogenarian Irishman, who thinks that Tony Blair is betraying his country, has an antidote (indeed, it is because he thinks Blair is betraying Britain that he has an antidote).

Conor Cruise O'Brien, like the late Enoch Powell, is that rare hybrid of a man of ideas and a man of political action. He has been in the inside of Irish politics as an official, a diplomat, a backbencher and a cabinet minister. He has propagandised and distorted for his country.

Yet he has never ceased to put thinking first. With his writings - especially the 1972 book *States of Ireland* - he has done more than any single Irish figure to puncture the inflated myth of Irish nationalism.

His *My Life and Times*, its final chapter, far from sounding a note of elegiac resignation, was an astounding proposal to the Ulster unionist community whose defence and right to remain British he has increasingly made the core of his political engagement for much of the past three decades.

Here is what he wrote. "What if Unionists come to see the Union itself, as perceived by Whitehall, as a threat? Where can they go... (the only option) is inclusion into a united Ireland, an inclusion negotiated on terms which could safeguard the vital interests of the Protestant community, the community which has supplied the defenders of the Union for over a century."

This is the antidote, for Unionism, to a further hopeless struggle against republicanism - though O'Brien confesses it may be seen, at least in the North, as "outlandish".

The notion was on the front pages in the Dublin press and analysed for a week thereafter. That an Irish writer's memoirs should set the political and media worlds north and south humming in this way is a tribute to a career spent cutting against the grain in his own society - and in the end, cutting against that of the unionist society he had "adopted".

He has been a diplomat, a mediator (in the Congo), a university dean (in Ghana), a member of the Irish parlia-

ment and cabinet and always, before, during and after these jobs, writing, writing writing. He joined two small parties - the Irish Labour Party and the UK Unionist Party - and resigned from both amid controversy.

He has outraged most of the sensitivities of his countrymen and women and yet he can say with sincerity that the most important meaning to him of his election as a TD (member of the Dail, the Irish Parliament), was that: "I would be accepted by my own people

the North was publicised, and about half the people who came up to me said they agreed with me, and the others said they didn't, but amiably.

"Catholic society has become a lot laxer than it was when I was young, in every way. Certainly the authority of the Catholic Church has greatly weakened because of the long cover-up of the sexual abuse on the part of some priests. A recent poll showed that Dubliners like British people a bit more than other foreigners. That's a big shift, too."

He has been an official, a diplomat, a backbencher and a cabinet minister. He has propagandised and distorted for his country

for what I really was".

What is he really? We sat in the sun lounge of his house at Howth Summit, 12 miles north of Dublin, overlooking a bay of spectacular beauty; after a stroke two years ago he tires easily, and will talk for only an hour. He has lived in this house for the larger part of his life, and all of his second marriage to Maire MacEntee (that he should have divorced, in 1962, cut against the mores of the Ireland of the times); the lounge is strewn with the morning papers.

"I think I am more or less accepted now," he says. "I went for a walk in Howth after my call for union with

The proposal O'Brien is now putting to the Unionists of Ulster and to his fellow Irish is a schizoid one. On the one hand he is telling the Unionists that the ghosts have been laid enough for them to trust their futures to the Republic, and that it will guarantee their culture, respect their religion and find a proportionate place for their politics. On the other, he says that there is enough vestigial longing in the hearts of almost all Irish Catholics to complete the sacred mission of unity pounded into Irish hearts by the martyred Padraig Pearse, that Sinn Fein/IRA will never wholly lack a grudging support. "When

people come forward saying, 'We are the bearers of Pearse's message; we are prepared to lay down our lives', then there is a lot of sneaking admiration. They have a power over the rest of us. It's very hard indeed to make the IRA go away."

The longevity of the IRA is one part of the equation. Another is his belief that Tony Blair is a traitor to the country he leads. He relates a story of when he and Robert McCartney, the leader of the UK Unionist Party - which O'Brien had joined - met Blair last year.

"McCartney said to Blair, 'I think your main concern is for the security of mainland Britain and that you are so anxious to avoid further attacks that you are willing to appease Sinn Fein and to go on appeasing it.'"

"Blair was not in the least indignant. He simply said quietly, 'That is not my policy'. I think what he's interested in doing is tip-toeing away from Northern Ireland, giving ground to Sinn Fein - which is the IRA - as he does so, stage by stage. It's a very delicate manoeuvre and it's becoming more difficult for him."

O'Brien believes that Chris Patten, the former Conservative cabinet minister and Hong Kong governor who heads a commission to examine changes in the RUC, will "castrate" the police force at the behest of Sinn Fein/IRA. Once that happens, he says, "the Unionists will feel abandoned to their deadliest enemies - and then they would

have to look at the kind of thing I'm talking about."

I express some incredulity that Patten would do such a thing. He says: "I certainly think he is capable of it." (O'Brien criticised Patten's conduct of the Hong Kong governorship on the grounds that he was foolishly and futilely annoying the Chinese.)

He goes further; he dislikes David Trimble, the Ulster Unionist leader, very much, to the point where he says: "I would much prefer to have Ian Paisley on my side in a scrap."

I mention Paisley's anti-Catholicism. "There was a time when he was reckless and extreme in some of his sectarian language - but that has diminished quite sharply, under the influence of his children and some of his party colleagues. He may have personally matured, too. He never opposed my presence in the alliance the UKUP has with his party, and was always sharp and tremendously good at analysing any document put before us," he says.

Is this what he now is - a member of that wing of Unionism which sees in Blair and Trimble a new configuration of traitors? Except that, individualist intellectual ever, he twists his own logic and calls for Irish unity because of that?

That seems to be so. O'Brien has produced a vision of the future so bleak for Unionism that all it holds is an attempt to save what is left of Unionist culture by joining the Republic.

A wintry view, for a man in his winter years. But, even so, the old man looking over the sea commands attention yet.

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BOOKS

Impossible death of a Holocaust icon

On the 70th anniversary of Anne Frank's birth, Ilana Bet-El assesses the many attempts at exploring the enigmatic child



In search of Anne Frank: the diary's author in Merwedeplein in 1940

THE STORY OF ANNE FRANK

by Mirjam Pressler
Macmillan £9.99, 192 pages

ROSES FROM THE EARTH:

The Biography of Anne Frank

by Carol Ann Lee
Viking £16.99, 297 pages

ANNE FRANK:

The Biography
by Melissa Müller
Bloomsbury £16.99, 330 pages

A measure of a profound story is the empathy it arouses. In fiction, the end of such a book is a shock but also a point of departure: the imagination may take over, weaving endless sequels. In documentary works, and especially biography, the ending is more definitive: the story has reached its terminus. Imagination is irrelevant: the characters have played out their acts: their

lives are known, and so are the sequels.

Anne Frank is a notable exception to this rule. Her vibrancy shines out so strongly from her diary that her foreknown death always seems an impossibility. The magnificent imprisoned heroine must live on, despite the facts: she cannot die in Bergen; she cannot have played out her act.

But Anne did not survive; and it is the opposed forces of stark facts and a desire for their negation which underlie these three books. All are documentary works, yet each also bears the strong personal stamp of its author: three women of disparate ages are in search of Anne Frank, still trying to come to terms with her death. Carol Ann Lee and Melissa Müller do so through classic chronological narratives; Mirjam Pressler through background descriptions of the people, places and events of Anne's short life.

As ever, it is an anniversary which has sparked this publishing fest: Anne Frank would have been 70 this year, and each of the volumes is offered by its publishers as the definitive story. They all rely heavily on interviews with those who knew the family;

they all combine facts that have long been known, those shreds of evidence that have been revealed over the past few years, and the author's interpretation.

In each case, some high words of endorsement are added. For Lee this comes from Buddy Elias, Anne's first cousin and president of the Anne Frank Foundation in Amsterdam. Müller's work is followed by a note written by Miep Gies, the woman who assisted

The magnificent imprisoned heroine must live on, despite the facts: she cannot be captured by the Nazis

the people of the secret annexe for more than two years. Pressler leans on the moral authority of the late Rabbi Hugo Gryn, himself a Holocaust survivor. Each of these offer interesting and heart-felt words on the evil of the Holocaust – especially the short essay by Rabbi Gryn – but ultimately contribute little: Anne Frank carries her own authority, through her life and through her diary.

Unfortunately, it is this sentiment more than any other which is evoked in the reading of these books. As the authors labour to produce the minutiae of her life, there is a mounting sense of irrelevance: when and where she was born, the style of the house, the amount she cried or the reasons for the family moving to another flat remain nothing more than abstract facts.

Much the same is true of the detailed depictions of her social world, both as a toddler in Germany and as she grew up in Holland: these add little to knowing Anne or understanding her better. Above all, this is apparent in the sections on life in the secret annexe: it is the main point of the diary, and none of these books, though they are all well written, actually reveals any new information or can add much to the substantial descriptions we already have from Anne herself. What is more, the effect of reassembling the known data is seemingly to remove the diary from icon status: to transform it into a document of regular human life. But the diary, and its author, are icons – that is their appeal.

Then there is the discomfort arising from the repeated forays into conjecture about Anne's feel-

ings and motives, which is apparent in all three books. Because she died so young, there is a need to follow this route in any attempt to recreate her life. But these attempts are not pleasant: rather than enlightenment, there is a sense of prying into intimate corners. This is especially apparent in *Roses From the Earth*, which constantly reflects upon Anne as an intimate of the author, through supposition, or through lengthy contemplation of personal material from the diary. Müller's work also uses this method, but to a lesser degree: it still strives to recreate the precise and definitive image of Anne and her environment, but from a slightly more distanced perspective. There is intimacy, but less familiarity – which allows for more comfortable reading. Pressler also manages a more even balance: hers is a book for adolescents, which attempts to put both the person and the diary in context. As such, it is perhaps the best book of the three, since it does not aspire to be definitive.

Ultimately, that is probably the greatest contribution of these books: as her depicted life unfolds, it becomes clear that the only real and relevant Anne Frank is the one that emanates from her diary.

Politics with porridge

David Gilmour reviews a spirited defence of Andrew Bonar Law, the Unknown Prime Minister

BONAR LAW

by R.J.Q. Adams
John Murray £25, 458 pages

Historians tend to regard Bonar Law as a gloomy fellow with much to be gloomy about. His wife died at the age of 42, two of his sons were killed in 1917, and he himself was forced by cancer to resign from office after only seven months as prime minister. At his state funeral in Westminster Abbey in 1923, contemporaries sniffed ungenerally, Curzon speculated that "many of the congregation were wondering how poor old Bonar ever got there", while Asquith observed that it was fitting to have "buried the Unknown Prime Minister by the side of the Unknown Soldier".

Law's background (a daunting amalgam of Glasgow, Ulster and New Brunswick Presbyterianism), his childhood (growing up in Helensburgh, he learned to take "politics with his porridge") and his early career (as an iron dealer, he acquired his debating skills at the local bankruptcy court), no doubt encouraged a certain inherent gloominess. So did his natural tastes: he was unmusical, martinet and could never see the point of the countryside. The charms of wine, whisky and good food similarly eluded him; he liked to wash down his melancholy meals and rice pudding with milk or ginger ale. Social life, especially the weekend house party, was a torment unless its chief ingredients were bridge, a good cigar and political conversation.

Even Law's politics were gloomy. Before the first world war he told Austen Chamberlain that he cared intensely for only two things, Tariff Reform and Ulster: "All the rest was only part of the game." No Tory romanticism, no vision of Empire, no Disraelian cry for social reform, no passion for conducting foreign affairs – just a rather dismal couple

of political crusades. And on top of all this, he rejected the faith that had helped to make him what he was. As a previous biographer, Lord Blake, memorably put it, he lacked "both the cheerfulness of the pagan and the consolations of the puritan".

No one ever accused Law of vanity or a preoccupation with the Verdict of History, so it is unlikely that his gloominess would have been dispelled by the knowledge that he would acquire two very amiable and impressive biographers. Nearly half a century ago, his career was brilliantly defended by Blake, who easily disposed of the suggestion that his subject was a mediocrity on a level with the Earl of Bute or Viscount Goderich. Now Professor Adams has taken the process a large step further, arguing that Law was a

Social life, especially the weekend house party, was a torment for Bonar Law unless its chief ingredients were bridge, a good cigar and political conversation

great public servant, an important political leader and one of the determining figures in the Conservative party's most successful century. No other premier of the second rank, except possibly Lord Melbourne, has had such able chroniclers.

The Adams defence embraces the personal as well as the political. We are told that he was a good family man with numerous interests, that he was popular in the House of Commons smoking room, that he cared for many things apart from Ulster and Tariff Reform, that he had a sense of humour, especially a self-deprecating one ("doing a Bonar") that delighted Austen Chamberlain – even that Lloyd George liked to laugh and joke with him (though this was said after Law had been replaced as party leader by the humourless Chamberlain).

On the political front the author is equally defensive. Contrary to the accepted view, Law was not "an

uncompromising extremist" over Ulster, his words on the subject in 1914 were "not as extreme as those of some other unionists"; after the war he was "no economic reactionary", at the peace conference he was one of the moderates.

Much of this is convincing, especially on the big issues, but the very defensiveness of the defence sometimes provokes doubts. If he had such a good sense of humour, why are we not given more examples of it? And, as for the "new style" of combative leadership – calling the Liberals gambling cheats and Gaden Swine – it is not enough to argue that Lloyd George was already using such language (Asquith wasn't) or that after Balfour's inept command the Tories needed to employ knuckle-duster tactics. There

was a viciousness about Law's leadership before 1914 that was calculated to appeal to the worst instincts of his party. As his friend Rudyard Kipling wrote in a brief and revealing remark: "I love [Law] because he hates."

After the outbreak of war, however, there is not much that can be said against Bonar Law. As Adams ably demonstrates, he was in turn a responsible leader of the opposition, a loyal but not uncritical member of Asquith's coalition, and a vital partner of Lloyd George in the War Cabinet for the last two years of the war and the early years of the peace. His health forced his resignation in March 1921 but, at the urging of his party, he returned to politics in October 1922 to defeat Lloyd George and become prime minister.

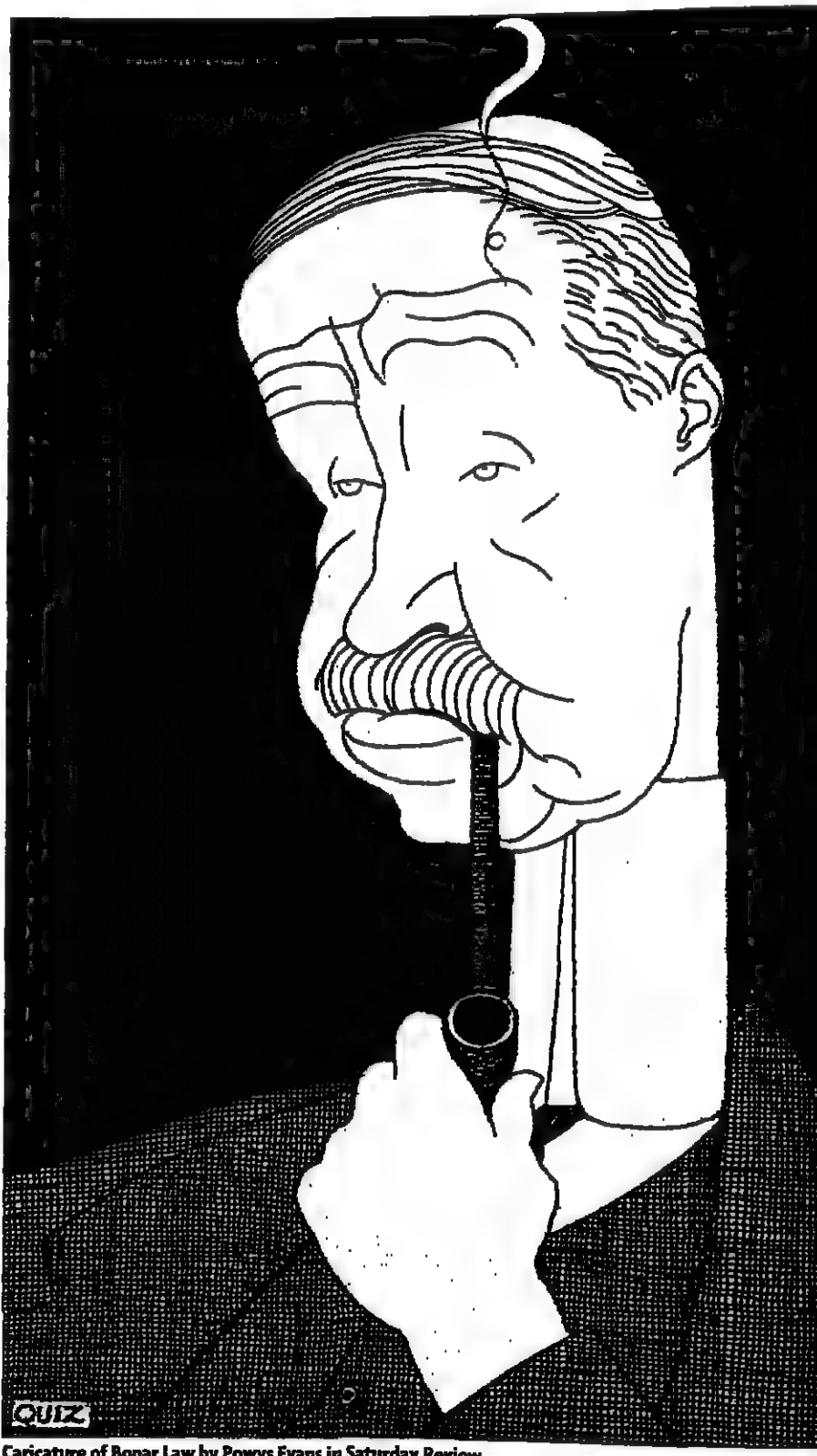
For all its partisanship, this is a fine biography, scholarly, wise and generous in its judgments (except perhaps towards Curzon and

Asquith, whom the author seems not to have forgiven for their remarks about the funeral). As with his subject, it would have been nice to see a little more of the wit which Adams displays when he observes that British policy on the Great Famine in Ireland may not have been "a shadowy form of genocide", but "at least a catalogue of human compassion".

The book's central argument, however, is clear and well-reasoned: Law was an astute and subtle political leader who knew when he was wrong and had to back down, who sensed from which, and in which, direction the Conservatives should be led at any particular time, who (as a man incapable of identifying a pheasant) realised that the appeal of his party must change if it was to succeed in an era of universal suffrage. His main achievements were the retention of Northern Ireland within the United Kingdom and the electoral recovery of the Conservative party.

It is perhaps a pity that Adams does not leave it at that. But characteristically he goes further, hailing Law as "a sort of Tory Moses" who led his party from "servitude" to the Promised Land. And although the prophet died soon after reaching it, the author discovers that he had begotten at least four "spiritual heirs": Baldwin, Heath, Thatcher and Major.

Perhaps I am unnaturally sceptical about spiritual ancestry, but I cannot see what they have in common except that all of them – like Law and most other Tory MPs of this century – are loosely middle class. Heath (whose spiritual ancestor, if he has one, is surely Peel) led the party from the left, as did Baldwin, who did far more than Law to broaden its electoral appeal. Thatcher and Major led it from the right into what may be political oblivion. And Bonar Law led it simply and pragmatically as he thought it required. He may have been right and he turned out to be successful – but that doesn't make him Moses.



Caricature of Bonar Law by Powys Evans in Saturday Review

Mary Evans Picture Library

Treasure islands bathed in the light of Scottish ancestors

Jeremy Treglown finds a new book offers a fascinating history of the sea and insight into one of Britain's favourite writers

THE LIGHTHOUSE STEVENSONS

by Bella Bathurst
HarperCollins £15.99, 284 pages

It's hard for anyone who doesn't sail to grasp the full historical importance of lighthouses. Hard, probably, even for sailors themselves, in these days of satellite navigation. Early in the 19th century, more than one ship a day, on average, was wrecked somewhere off Britain. The Scottish coast, particularly where the Atlantic meets the North Sea, produced even harsher statistics. In a period of three days in December 1799, more than 70 ships went down in Scottish waters, among them HMS York. In 1811, three battleships returning from the Baltic were wrecked in a North Sea storm with the loss of 2,000 lives – twice the number of British sailors killed at Trafalgar.

Yet even in a country dependent on the sea for international trade and

defence, lighthouses didn't strike everyone as a good idea. A maritime equivalent of nimbysism came from coastal communities in which plunder from wrecks was a substantial source of income. One such was the Scottish Atlantic island of Tiree, where rents were higher on the coast which received most of the boatsam and jetsam. Not until 1844 were these unsounded reefs made safer – and the locals' earnings thus reduced – by the Skerryvore Lighthouse of Alan Stevenson, uncle of Robert Louis.

The atrocious conditions in which Skerryvore was built are vividly described by Bella Bathurst in her readable, well-researched book. Materials had to be brought from the distant mainland. Tiree was a difficult embarkation point and currents and swell made landing on the rock of Skerryvore – much of it permanently below water – exceptionally difficult. Waves exerting pressures of up to two tons per square foot rose so high that once the 138ft granite tower was complete, unbroken water

would soar over the lantern in winter.

Construction was only possible in the summer and took six years to complete. The devout Stevenson was forced to concede that his labourers – "Thirty trained masons, 12 quarriers, four smiths, two foremen and a shoal of contract carpenters, builders, joiners and storekeepers" – would have to work on the Sabbath. When, later, he contracted multiple sclerosis, he wrote to each man personally to beg forgiveness, believing the illness a form of divine punishment.

Alan was the second of the "Lighthouse Stevensons". The first, his father Robert, was responsible for the earlier Bell Rock light, with its massive jigsaw puzzle of interlocking foundation stones, as well as many other public projects including the link between Edinburgh's Old and New Towns. Among his shore-based lights is one in the castle above the dour harbour at Fraserburgh, where the strongest wind ever recorded in Britain was experienced a few years ago

and where a soft English visitor can believe it hasn't stopped blowing since. This is the Kinnaird Head Lighthouse, now open to the public. Its informative museum contains a beautiful room full of cut-glass optics, each as big as a Ford Ka and as brilliant as a diamond. Optical engineering, in

Four generations of Stevensons were staggeringly, austere and live-savily productive

that period before electricity (before paraffin, even), was inevitably among the Stevensons' main preoccupations, along with construction techniques and the measurement of waves. They weren't important originators. John Smeaton, the builder of the Eddystone Lighthouse – a precursor of which had collapsed into the sea with its architect, Henry

Winstanley, inside it – was ahead of them in terms of design.

In optics, the Scotsmen owed a lot to the Fresnel brothers. But over four generations they were staggeringly, austere, live-savily productive: sometimes to the point of obsession.

When Robert found a scrap of imaginative writing by one of his sons, Thomas, he was so incensed that he could scarcely decide whether what irritated him most was Thomas's failure, so far, to have committed himself to a remunerative career ("there is no dining without a purse"), Thomas's brother David's sly revelation that "there was a drawer full of such stuff" in Thomas's room, Robert's conviction that the writing itself was "great nonsense", or perhaps most wounding of all to this abstemious self-made Scot, the fact that the nonsense was written on "seven pages of my good card paper".

The delinquent Thomas eventually became another engineer, and the father of Robert Louis Stevenson.

Part of the fascination of Bathurst's book lies in the insights it gives into the formation and imaginative preoccupations of the man whose books include not only *Treasure Island*, but *Records of a Family of Engineers*. Louis knew that to people like his grandfather, fiction was at best childish; and he nursed an understandable sense of inadequacy about having "declined / The labours of my sires, and fled the sea".

Given how much he wrote about his family and how much she draws on it, Bathurst's notion that he eclipsed them unfairly seems like special pleading. But this is a small criticism of a book which absorbingly combines social history, family saga and a side glance at the making of a great writer. An elegy for a lost profession, too: there are no lighthouse keepers today. But many of the Stevensons' lanterns still shine and even the one on Muckle Flugga, a rock in the tumultuous seas north of Shetland, hasn't let in water since it was finished in 1857.

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BRUCE CHATWIN
by Nicholas Shakespeare
Harvill Press £20, 591 pages

I take my scalp off to Nicholas Shakespeare. Biographies don't come any better than this. But then, *what else?* What other writer since Byron acquired such mystique? Was he so much more loved than I? And how considerate of Bruce Chatwin to have died 10 years ago at 48, albeit of AIDS. However harrowing the manner of it, he timed his exit to perfection. And again, many of those who knew him were exceptionally articulate. Their memories of Chatwin remain awake, their perspectives unaffected, in the main, by the sort of consensus that inevitably distils in the wake of a legend.

Chatwin could not have wished for a more attentive chronicler of his complex comings and goings. He bequeathed to Nicholas Shakespeare three advantages: a hitherto unexploited trove of letters, diaries and notebooks; an uncommonly wide set of friends and enemies; and a body of work rooted in remote yet accessible places. Nor has Shakespeare fluffed any of these openings. Eight years in the writing, eight years in the journeying, *Bruce Chatwin* is a glorious quilt-work of texts, voices and places, joined together with consummate judgment.

Shakespeare's key remembrance

ers include such worthies as Colin Firth, Salman Rushdie, Shirley Conran, Eve Arnold and Tom Macchier; but they also include, as well as his subject's relatives by both blood and marriage, a host of lesser figures, drawn from all the worlds Chatwin inhabited.

That Chatwin was a gifted socialite is beyond doubt, just as he was an equally accomplished loner. While some might see this as a tension in his personality, it was if anything the unifying force. His hunger for others was matched by an intelligence and charm that, within the space of an hour, could suck the essence out of anyone he met. Yet it was a hunger that proved insatiable: nobody was ever quite good enough for him, and this drove him, as his books testify, to the ends of the earth – to Afghanistan, Patagonia, Benin, the Australian outback... Wales.

But having arrived in such places, his imagination soon caught up. Out of researches that were part archaeological, part anthropological and part hearsay, he constructed a series of powerful fables: neither fact nor fiction, but something in between that, *fin de siècle*, can only be described as commanding literature.

Chatwin had many vying qualities. Shakespeare, through the medium of his interviewees, allows for them all. He was vain and vulnerable, blithe and intense, quintessentially English and convincingly cosmopolitan, desperately sincere and pervasively devious, scholarly and cherry-picking, cal-

lons and loyal, beautiful and vile. What separates him, however, from other dilettantes was his talent for absorption. He could garner in, sometimes with no more than a movement of the eye, an artefact, a person, a landscape. And having gorged, he never let go, at least until the dismal end, when his brain broke up – the reader must go to Shakespeare for this – so his books were never anything more, but never anything less, than speculations of his prodigious capacity. In a way he was one of nature's freaks, but not in the way he felt

As Shakespeare summarises: 'As long as Bruce could tell stories about it, his illness might go away'

himself to be. As his life unfolded he became progressively, but not a progressive, homosexual. Diagnosed HIV-positive in 1986, he would never acknowledge the true pathology of his wasting illness, even to himself. He had, he gave out to his immediate circle, a mutant form of malaria, he was the victim of a rare fungus inhaled in Yunnan, the bats had been at him. He told his doctors, quite implausibly, that he had been gang-raped in Africa. In fact, his sexual propensities had led him, inter alia, to the

gay bath-houses of New York, and of Sydney. But while all this must have preyed upon him, particularly in the light of his early and patchily enduring marriage to Elizabeth Chaher, a tolerant and unconventional American, it was not so much his sexuality and its consequences that were exceptional as his method of handling them. As Shakespeare summarises: "As long as he could tell stories about it, his illness might go away."

Storytelling was Chatwin's forte. In mesmerising his audiences he mesmerised himself. At the back of it all was a half-baked theory about the human primacy of nomadism. But Chatwin could never see that nomads, in fact, are as settled in their routines as city-dwellers, or that the distinguishing feature of true nomads is their herdishness. Rather, the being that Chatwin identified with goes properly under different names: a wanderer, for example, or a tramp.

Like every other gifted writer, Chatwin was self-delusional. Only his premature death deprives us of the full range of his idiosyncrasy. Given this, how important is his provenance, his career-line? Shakespeare shows us Chatwin's middle-class West Midlands upbringing, his days at Marlborough College, his early employment as a cataloguer, then a director, at Sotheby's, his short-lived enrolment as a student at Edinburgh University, followed by a stint on the Sunday Times Colour Magazine.

Each of these experiences fed into Chatwin's subsequent incarna-

tion as an author, but individually or taken together none of them quite explain the man. Nor, mercifully, does Shakespeare suppose they can. Rather, he lets his subject loose in the spaces he claimed for himself, and the spaces occupied by those who knew him.

Chatwin was our premier fantastic realist. I do not believe half of what he wrote, but nor do I disbelieve it. What he offered, in such books as *On the Black Hill*, *The Songlines* and *Uzi*, were imaginative parables. Readers who do not understand this are forever entrapped by a sterile debate as to whether Chatwin was a travel writer first and a novelist second, or vice versa. Nor is it sufficient to offer some compromise such as to say that "he was both equally". I am instead reminded of Goethe's dictum: All my works are fragments of a great confusion.

Famously, Chatwin pared his narrative persons to the bone. His descriptions were almost as lean, although he could never quite overcome that egotism so beloved of connoisseurs. He can come across as a Hemingway in tights. But because of his capacity for absorption he was, as much as anyone, what he wrote.

Wisely, Nicholas Shakespeare eschews detailed literary analysis. Such is his skill as a biographer, there is no need.

To order 'Bruce Chatwin' at the special price of £17 with free UK p&p, call the FT Bookshop on +44 (0)161-324 5511.

The sound of old stones

Malcolm Bradbury discovers a new Plato in Peter Ackroyd's futurist satire

THE PLATO PAPERS:

A Novel
by Peter Ackroyd
Chatto & Windus £12.99, 139 pages

Despite the half-teasing subtitle and the fact that it does indeed tell a story (or, as the book puts it, observes the conventions of spherical drama), Peter Ackroyd's lively, clever new book is less a novel than a satire, and is even more what the French would call a *conte philosophique*. It's a tale from the distant future, set in the year AD 3700, when a timeless era of angelic consciousness has come into being once the world has reconstructed itself after the disappearance of the galaxy and the death of all the machines.

It tells of a wry and curious philosopher, Plato, whose grand orations on the condition of past ages have become the fashionable talk of the forum. Our orator surveys the epochs that brought time to this pass; but he is especially interested in reconstructing the unhappy and misguided Age of Mouldwarp (AD 1500-2300), of which various small and disturbing traces remain.

There are, for instance, fragmentary works of literature, such as Charles Dickens's novel *On the Origin of Species* (true, the one copy has the author's name cancelled, but this comic adventure among animals must have been written by a famous, satirical, highly inventive novelist).

Then there are works of a certain Edgar Allen Poet, depicting a lost race of people, the Americans, who lived in gaunt vaulted houses and feared being buried alive. There are memories of the comic stand-up performances of Sigmund Freud and Oedipus, doing their show *Jokes and Its Relation to the Unconscious*; and remarkable loops of interlinked imagery, marked "Hitchcock" and "Frenzy", which show strange forces flying over the top of a past city of London.

Evidently the people of Mouldwarp loved chaos and disaster. They lived by old rules of time and the accumulation of endless "information", which finally overwhelmed and destroyed them. Plato is now devoting himself to reconstructing a glossary of Mouldwarp language ("language laboratory": a sterile area where language was created under strict experimental conditions): "recreation ground:

an area of the city selected for the restoration of past life", "rock-music: the sound of old stones").

His curiosity leads to trouble. In an Ackroydian version of the Platonic myth of the cave, he descends through time into the underworld of Mouldwarp itself. He finds himself in the old city of London, whose citizens have no knowledge that they live in a cave beneath the real world. Then, like his author, Plato becomes entranced by London: a restless world that has no beginnings and no ends, and suffers the rule of time and the eternal fragmentation of all things. The vision and his reports on it lead to a trial for spinning lies and fables, and Plato is self-condemned to perpetual exile.

I now want to confess that some time ago I lost my warm enthusiasm for works of "future fiction", an important 20th-century genre which is surely beginning to reach the stage of superfluity as the millennium comes to its weary end. Nowadays most serious writers feel obliged to provide a vision of the future: meaning that most of the variations, angles, refractions, warps and grand inventions have by now been played with, most of the satirical perspectives deployed.

Why then have I enjoyed Ackroyd's book? Because what makes it notable is not its fantastic invention but its intelligence. The satirical insights are amusing, the play of ideas strong. But, in Socratic fashion, the work comes over less as story or satire than as reflection, meditation. Plato's descent into the cave takes him into all the strangeness of contemporary post-modern London, of which Ackroyd has become the natural poet. And these excellently written passages about the oddness of an urban existence in time and the finite lead us to the book's moral lesson.

It's the fate of most ages – so Plato says as he condemns himself – to refuse to countenance any other reality than its own. Such is the fate of our own age of space-time, string-theory, black holes and rock music. Yet Plato's own harmonious angelic world of soul and reason is equally undone by its own luminous and timeless clarity. According to Ackroyd's latter-day mysticism, all worlds have to open to more truths than are prepared to own. A none-too-remarkable wisdom, but he presents it with a truly Socratic curiosity, making *The Plato Papers* a philosophical good read.

FICTION IN BRIEF



Love and loyalty

"Marriage is what happens to you when you learn that life is bigger than you." It's taken Frankie "The Fib" Blue a long time to work this out. Tim Lott's *White City Blue* (Viking £9.99, 328 pages) follows Frankie, a 30-year-old estate agent living and working in Shepherd's Bush, home to tarted-up terraced houses and Queens Park Rangers football club, on his journey to the altar.

En route, Frankie learns several lessons about love and loyalty, not just to his girlfriend, the irritatingly nicknamed Vronky, but also to his three best mates, Nodge, Tony and Colin. Through a skilful mix of flashback and narrative, Lott's first novel takes us through the history of Frankie's relationship with each. The crunch comes when he has to make a choice between a long-established traditional boys' get-together and celebrating Vronky's 30th birthday. It is his choice, and the events that follow, that lay bare the realities of his relationships with all four.

Of all the thirtysomething grime-bonding and bloke-bonding books of the past couple of years, this one actually has something to say about friendships, and how they change as you grow up, rather than merely providing sharp observations on urban life

as *High Fidelity* and *Bridget Jones* did. As a bonus, it is engagingly written, using interior monologue and crisp dialogue to capture the insecurities and interplay of the four men and drive the narrative along at a brisk pace. We also get a lesson in the shonky side of estate agent's practice. "I let her into the flat, which was small and grubby and overpriced. This was not something only I could see; I knew she would see it too. That's the point. She's not meant to buy this one. It's about lowering expectations. So that when we finally show anything half or even quarter decent, it'll look like the bargain of a lifetime."

The structure creaks a little in the final third of the book, and Lott uses a couple of rather obvious devices: the storm which accompanies a cataclysmic golf game; the lonely old man who makes Frankie realise that he has to put things right with his friends before he can move on. The only main female character, Vronky, a pathologist, is two-dimensional, a catalyst for the plot rather than a believable person. But that doesn't stop this novel being an engaging, thoughtful and funny revelation of the fact that even QPR fans have to grow up one day.

Kate Bevan

Magnet for the best and brightest

A sealed world with a waiting list of 7,500: Michael Church on the Glyndebourne phenomenon

GLYNDEBOURNE:
An Operatic Miracle
by John Jolliffe
John Murray £25, 284 pages

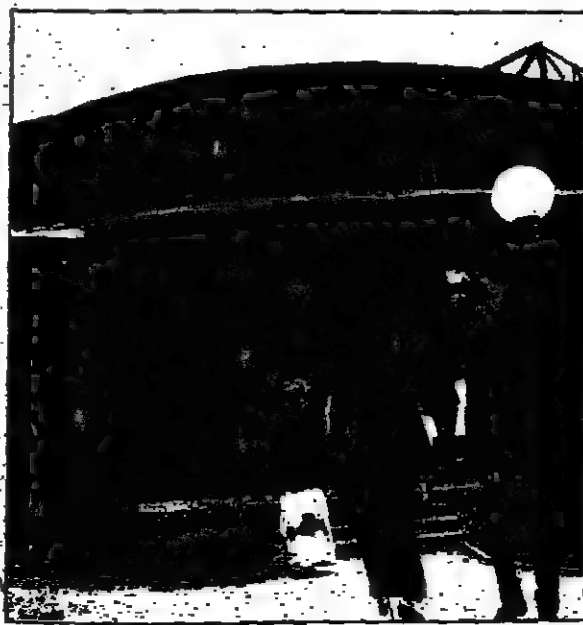
including a massive rebuild – without a penny from the public purse. If there was ever a theatrical tale worth telling, this is it; John Jolliffe's subtitle is exact. And his fulsome foreword is no surprise, given that the Christies who created Glyndebourne are both the subject and patrons of his endeavour.

But this is an author who starts as he means to go on: from one end of the book to the other, he never once gets up off his knees. No praise is too high for John Christie, Glyndebourne's only begotten son, while his son George's virtues take a full page to list. Awards and knight-hoods are dished out with relish, with even Phoebe – "the senior member of the Christie family" – getting her own commissioned portrait. Authorial obeisances are made towards everyone who made the house, from incoming director Nicholas

Snowman to the cook, the gardener and the canteen manager ("Long may she remain in charge"). The pulse of the story is a catalogue of productions – Hall, Hockney, Sellars, Warner – with each year's achievement appraised like wine.

Backstage gossip – the life and soul of every opera house – is for Jolliffe mere "hickering and ruffled feathers", so he will have no truck with it. Since everyone in sight is a totally wonderful person, the prevailing tone is one of servile pomp. Occasionally we meet a dead person who has been okayed for veneration, and then the flings are bare, as in an old Times obituary. Thus we learn that Sir John Pritchard was prone to "self-indulgence... a certain laziness... easily distracted, easily hurt, easily bored".

Sometimes, despite Jolliffe's best efforts, the strangeness of the story shines through. John Christie's childhood was a parody of upper-class awfulness; while his deranged father beat his over-protective mother (Lady Rosamond Wallop), he himself got walloped at Eton, was crippled in a riding accident, then



Glyndebourne: the air on stage is bracingly fresh

lost the sight in one eye while playing rackets. Thus was forged the iron will which gave birth to Glyndebourne and defined its exclusivity. Jolliffe notes, with approval Christie's remark that he would, if he could, "have surrounded Glyndebourne with barbed wire to keep out the unworthy".

In the 1930s, under the musical direction of Fritz Buschi, the repertoire was mostly Mozart, with Donizetti coming along later to dilute the diet. Christie was both a Germanophile – wearing lederhosen and labelling his lavatories *Damen* and *Herren* – and a homophobe. And that, suggests the author, is why Benjamin Britten and Glyndebourne

never hit it off. But in the main, Christie seems to have been a marvellously intransigent defender of good art and good causes. He may have sneered at the postwar government's Cema (Council for the Encouragement of Music and the Arts) as being for the "Encouragement of Mediocre Artists", but in that same year he helped set up a children's theatre which was far ahead of its time. It's worth remembering, too, that the Edinburgh Festival was a Christie by-product.

Jolliffe's account is too diffuse to offer a coherent musical history, but those who wonder how Glyndebourne has stayed solvent over the years will find at least the beginnings of an answer. Key elements in the strategy include lucrative advertising in the programme book, and friends in the Treasury and in the media (Sir William Haley, editor of *The Times*, was a Christie cronie).

Indeed, the main purpose of the recent new building was to sell more seats, and about this, of course, Jolliffe waxes ecstatic. Agreed, it's both pretty and acoustically superb, but those who sit at the sides (£38 a seat) see only half the stage and emerge with a crick in the neck. But in a book like this, that sort of observation would have been quite out of place.

incestors

ARTS

Few artists ever experience the kind of roll that Douglas Gordon is riding. In what amounts to the art world's Triple Crown, the 33-year-old Glaswegian won the Turner Prize in 1996, the Premio 2000 at the 1997 Venice Biennale and last year's \$50,000 Guggenheim Hugo Boss Prize. Demand for his work is practically global, he has a show in a Berlin museum, two separate exhibitions in New York and his ambitious "Feature Film", produced for about £250,000, recently opened at London's Atlantis Gallery. Future plans include an exhibition in 2001 at the Los Angeles Museum of Contemporary Art.

Though a darling of international curators, Gordon is in no immediate danger of becoming a household name. His lack of popular recognition is due, at least in part, to his preferred medium of film installation, which doesn't lend itself to photographic publicity stills. For 1993's "24-Hour Psycho", his first foray into the format, Gordon projected a slowed-down version of Hitchcock's *Psycho* that lasted an entire day.

It may sound simple, but "24-Hour Psycho" is much more than an extreme exercise in drawing out suspense; watching it is hypnotic, and also uncanny as Gordon's version proceeds too slowly for the viewer to make sense of the plot. As if poking fun at the kind of frame-by-frame analysis favoured by film scholars as well as Zapruder conspiracy buffs, "24-Hour Psycho" leaves you feeling that the closer we look at something, the less certain we are about what it means.

Since recycling *Psycho*, Gordon has hardly set out to endear himself to mainstream audiences. He has dipped into the medical archives for a number of disturbing projects, using old documentary film clips depicting victims of psychic trauma. He has also continued to build works around well-known films - including *The Exorcist*, *Taxi Driver* and Rouben Mamoulian's 1931 version of *Dr Jekyll and Mr Hyde* - which feature characters driven by conflicting, and often monstrous, desires.

Gordon's installations frequently use dual projections to heighten the schizoid elements in the narratives, and also to create a kind of split consciousness in the viewer, leaving us feeling intimately connected to the protagonists' mental states.

For Gordon, the divided self is an aesthetic, and moral, given. In a memorable double self-portrait, a pair of large colour photographs depict him first as



Vertigo inducing: a disorienting collage of fragments from 'Feature Film' ends on a close-up of an eye which echoes the opening credits of 'Vertigo'

An eye for intimate connections

Douglas Gordon is on a roll. Ralph Rugoff surveys the Glaswegian artist's latest wild and absurd installations that rework Hitchcock films

normal-looking, and then as a porcine grotesque - an effect he achieved by contorting his face and then holding his expression in place with sticky tape.

"Feature Film" continues to mine this thematic territory by reworking Hitchcock's 1958 masterpiece *Vertigo*. Rather than Jimmy Stewart and Kim Novak, however, the double-sided movie screen hung in the centre of Atlantis' cavernous gallery shows a filmic portrait of James Conlon, conductor of the Paris Opera and the Cologne Philharmonic, as he seemingly conducts *Vertigo*'s overpowering score - which blasts from suspended speakers, filling

the space with ominous and overwrought sounds.

I say "seemingly" because we never actually get to see the 100-piece orchestra Conlon is supposedly conducting. Gordon's 104-minute film is composed entirely of elegant close-ups of Conlon's slashing gestures, precise hand cues and intense facial expressions, all shot against a black void. Seamlessly edited, this disorienting collage of fragments - which ends on a giant close-up of an eye, echoing Saul Bass's opening credits from the Hitchcock film - produces a kind of vertigo itself.

It is typical of Gordon's idiosyncratic irony that he chose to work with Conlon, not only for his ability as a conductor, but for his looks. "I wanted someone who wouldn't necessarily look like a conductor," the artist explains, "but who might appear to be an actor playing the part of a conductor."

The artistic pay-off for Gordon's casting logic is that Conlon, who wears a black turtle-neck in the film and works without a baton, is somehow less than convincing in his role, which is exacerbated by the fact that Gordon's camera never shows us the actual orchestra that the self-possessed conductor is supposedly directing.

"It leaves open the possibility that there isn't any

orchestra, and then you have to wonder what the hell this guy is doing," Gordon says. "Is he just acting out some bizarre fantasy? Is he psychotic? To me, the film then becomes much more provocative."

That kind of confusion echoes a theme of *Vertigo*, which is not a film about fear of heights so much as a harrowing portrait of a man's fall into an abyss of romantic illusion.

As installed at Atlantis, Gordon's cinematic debut is accompanied by a projected video of *Vertigo*, nestled in a distant corner like a footnote. Shown without sound, it serves mainly as a reference point to the synched-up

music. During the unscored moments of Hitchcock's movie, snippets of out-of-synch dialogue can be heard issuing from a distant speaker, but these barely decipherable fragments, which evoke the clouded murmur from a neighbour's TV set, function more like a Juxy memory of the film than actual narrative cues.

Ironically, Gordon was recently dismissed by a New York critic who insisted that his art was "only as good as his source material", and that Gordon pandered to his audience by working with films it already loved. The show at Atlantis puts the lie to this argument, as the pleasure of watching *Vertigo*

is subsumed by the experience of listening to Bernard Hermann's anxiety-inducing score and puzzling our way through the labyrinth of Conlon's exquisitely controlled gestures.

"Feature Film" will also be released in a 35-millimetre theatrical version, which will debut in Venice during this summer's Biennale. In the meantime, Gordon is hoping to find a venue somewhere in Nevada for his long-planned "Five-Year Drive-By", a projection of John Ford's epic western *The Searchers* which will last half a decade - a time-frame which matches the duration of John Wayne's quest to find the kidnapped

Natalie Wood in the movie. Shown at that speed, each frame would appear on screen for a quarter of an hour, so that even the film's most insignificant images would be given iconic status - and their 15 minutes of fame. Gordon doesn't expect anyone would actually watch more than a tiny fraction of his installation. But that's the point. "I like ideas that some things in life are always out of reach," he says. "No one really wants to know everything."

"Five-Year Drive-By" is a supremely absurd project, but somehow, if only for the sublime scale of it, I'm sure the Duke would have approved.

My Dad's Diary marked the brutal ending of this world. On Easter Monday we were reminded of a Welsh missionary, the Rev David Davies, a colleague of Gladstone's, who was killed in the 1890s and 1940s. Glyn Hous-11 ton read the entries, introduced by Davies's son. Inevitably, the Japanese invasion featured: crucifixions, the atrocities to which the Japanese, unlike the Germans with their recent past, turn a resolutely blind eye, expunging such details even from their school books.

Where obliquely reported speech and diary telegraphese combined for owlish hilarity, Jane Rogers's adaptation and Imelda Staunton's comically flustered *maternalitas* try too hard. Reported conversation draws its flavour from its beady-eyed chronicler. Hearing the characters come out with the original remarks is less funny.

But *Diary* is enjoyable, despite a husband sounding too young, too accessible and dead common - not remotely ex-officer class. However, Douglas Young's new serialisation of P.G. Wodehouse's *Full Moon* is an abomination. This Blandings novel is performed with a studio audience, and a host

TELEVISION GRAHAM MCCANN

From Coward to Feydeau

It took *Laughter in the House*, BBC's three-part documentary series on the evolution of the situation comedy, no fewer than 150 minutes to furnish its viewers with a frustratingly incomplete account of what exactly it is that can make this peculiar genre, at its very best, so consistently compelling. It took last night's edition of *Fraser*, on the other hand, no more than seven minutes to underline precisely what that account had overlooked.

The BBC series began with a strikingly injudicious survey of possible definitions - which ranged from the wryly obtuse ("The meaning of a 'sit-com'") to an uncomfortable-looking Richard Briers, "is a situation that is supposed to be comic" through the engagingly flippant ("Sit-com?" snorted Polly James. "It's like an e-mail address, isn't it? Sit-com-dot-dot-laugh") to the aggressively gnostic ("Sit-com, when it's done properly," John Cleese declared testily, "is genuinely about

comedic situations - not about unfunny situations where people exchange jokes") - and then proceeded to flit impatiently back and forth between cultural nostalgia and sociological speculation.

"The sit-com, we were told, 'turned TV into a distorting mirror', projecting back into our homes a wryly exaggerated vision of what it is that makes us who we have no choice but to be. Denis Norden recalled how in the early 1950s he and his writing partner Frank Muir were charged by Ronnie Waldman - the BBC's head of light entertainment at the time - with the task of concocting a British version of the popular US sit-com *The Adventures of Ozzie and Harriet*."

It was, they advised Waldman, an impossible job, because there was no conceivable way that a postwar, class-ridden British audience would identify with a couple who had their own car, their own double-fronted house and their own refrigerator ("which in those days,"



Fastidious: David Hyde Pierce in 'Fraser'

observed Norden, "was like having a private jet!").

Instead, therefore, of the likes of Ozzie and Harriet, the British sit-com cultivated more knowingly parochial types, such as East Cheam's Tony Hancock, Oil Drum Lane's Albert and Harold Steptoe, Walmington-on-Sea's Captain Mainwaring and the two Trotter brothers of Peckham, all class-confined characters whose lives, like so many of

those who watched them, could at times seem almost as heart-rendingly tragic as they were reassuringly comic. "They shouldn't set Pinter for O levels," remarked Norden with genuine feeling. "They should set Galton and Simpson."

The problem with Norden's observation is identical to that of the documentary in its entirety: it is not that it is wholly wrong, but rather that it is only half right. *Laughter in the House* approached the sit-com from a writerly point of view, and from that angle it is easy to overlook the fact that the truly great situation-comedies owe their greatness as much to the excellence of the acting as to the effectiveness of the writing.

Fraser is, at the moment, the prime example of what happens when a peerless team of writers combine with a richly talented troupe of actors to produce an outstanding sit-com. Stylistically, the show is extraordinary, sometimes moving from Coward to Feydeau and back again within a single episode, but without a cast of the calibre of Keisey

Grammer, David Hyde Pierce, John Mahoney, Jane Leeves and Peri Gilpin such audaciousness would surely result in dramatic incoherence.

Last night's episode began with a glorious seven-minute scene featuring Niles, Frasier's delicately fastidious brother (played by Hyde Pierce), sitting alone in the apartment as he awaits the arrival of his St Valentine's day date.

Spying a slight imperfection in one of the creases in the trousers of his otherwise immaculate Armani suit, he removes them and prepares the iron; notices a stray piece of cotton beneath a turn-up; puts the iron down and fetches a pair of scissors; cuts himself with the scissors, draws a drop of blood, faints, comes to, and finds his blood has brushed the couch; rushes off for some cleaning fluid, cleans the stain, notices for the second time that he has drawn a drop of blood, faints a second time, smears the couch a second time (this time not just with blood but also with cleaning fluid), comes to, realises the iron has by now burnt a hole in his trousers, hurries the smouldering material from the ironing board to the couch, sets light to the couch, rushes for a fire extinguisher, loses control of said extinguisher, hurls a bowl of water at the couch, begins to choke from the smoke, opens the door of the apartment, starts to wait away the fumes, catches sight for a third time of his blood-stained finger, faints for a third time, and lies helpless and trouserless by the open door.

That short, seven-minute scene - which had no use for words - was as good an example of situation comedy as one is likely to see. The recipe proposed by *Laughter in the House* - "scatter a handful of regular characters over two or three small sets, sprinkle with some funny lines, place in front of a live audience and grill for 30 minutes under studio lights", misses out one essential ingredient: great acting.

RADIO MARTIN HOYLE

Crazy about the words

A distinguished colleague has complained of radio's apparent annexation by the publishing industry: or, at least, of the medium's preoccupation with books - readings, reviews, dramatisations. It reminds me of a respected drama critic's recurrent carp that the English theatre is too verbal.

I refuse to apologise for the tradition of Shakespeare, Wilde and Shaw - or, for that matter, Coward, Osborne and Pinter. Words are what the British (careful) have always done best. The discussion of ideas goes better in the disciplined intensity of radio or the small screen; spectacle is best handled with the magisterial fluidity of film; and the essence of theatricality at its most extravagant ostentatious strut - yes, camp, if you must - can be found in opera. For at least a decade in recent times the best theatre in London was to be found on the stages of the two main opera houses.

There's no reason why the world of letters should not stake out a beachhead in sound broadcasting. Chairing Bookclub, James Naughtie becomes a mellow and enthusiastic host, transmogrified from the stumbling news presenter. Bottom in reverse. And simple reading (far from simple to achieve well) goes to the heart of radio. Recent samples from famous cookery writers spring to mind, including Elizabeth David, owing much to such readers as the excellent Maureen O'Brien, an actress who nothing common does or mean and whose joyous relish gladdened the heart as well as making the tummy rumble.

Military historian John Keegan's *The Mask of Command* was read by Tim Pigott-Smith. And *Age of Austerity*, writers giving their own words on that period

foreign historians consider an hour, even finer than the war for these stoic islanders, was memorable for Michael Frayn on the Festival of Britain.

Last week, Martin Jarvis returned with Richard Crompton's perpetual 11-year-old (Lolita's age when we first meet her). Actually, William Brown is 91, as witness *Just William - The 80th Anniversary*. The wonderful Jarvis evokes William's world perfectly. The secret is not to patronise. Crompton's original stories were written for adults, after all, though bookish children soon recognised and loved the dry, straight-faced mockery.

The same gently satirised middle-class world where overdrafts did not preclude cooks, housemaids and governesses, can be found in E.M. Delafield's *The Diary of a Provincial Lady*, published in 1930. It was read as a book at bedtime some years ago by Anna Massey with proper deadpan wit, broken only by the occasionally mischievous confidence to the reader. Now, modishly shorn of its definite article, *Diary of a Provincial Lady* has been dramatised.

Where obliquely reported speech and diary telegraphese combined for owlish hilarity, Jane Rogers's adaptation and Imelda Staunton's comically flustered *maternalitas* try too hard. Reported conversation draws its flavour from its beady-eyed chronicler. Hearing the characters come out with the original remarks is less funny.

But *Diary* is enjoyable, despite a husband sounding too young, too accessible and dead common - not remotely ex-officer class. However, Douglas Young's new serialisation of P.G. Wodehouse's *Full Moon* is an abomination. This Blandings novel is performed with a studio audience, and a host

of unfunny funny voices including a *travesti* Lady Hermione, played by Giles Havergal with that heavy touch crassly perfected at his home theatre, the Glasgow Citizens. Atrocities such as this, produced in Edinburgh, will do more to break up the Union than any number of historically faulty Hollywood blockbusters.

My Dad's Diary marked the brutal ending of this world. On Easter Monday we were reminded of a Welsh missionary, the Rev David Davies, a colleague of Gladstone's, who was killed in the 1890s and 1940s. Glyn Hous-11 ton read the entries, introduced by Davies's son. Inevitably, the Japanese invasion featured: crucifixions, the atrocities to which the Japanese, unlike the Germans with their recent past, turn a resolutely blind eye, expunging such details even from their school books.

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ARTS

Master of the middle ground

Alan Ayckbourn's new play, set across two stages, celebrates his 60th birthday. Ian Shuttleworth met him

Britain's most successful living playwright might be expected to take a little time off to celebrate his 60th birthday. Alan Ayckbourn, however, has commemorated the milestone by writing what is probably his most structurally cheeky piece yet... and this from a man who has specialised in playing with the theatrical unities of time and space.

House and Garden, to be staged this summer, will take place simultaneously in both auditoria of the Stephen Joseph Theatre in Scarborough, where he has been artistic director for almost three decades. "The idea," he explains, "is that the actors are playing a scene upstairs, a chap says: 'I'm just taking the dog for a walk,' and goes out through the door, and then a few seconds later he turns up in the other auditorium, saying: 'Come along, boy!'"

Ayckbourn still spends most of his time as writer determining the structure and form of a play, before writing the script often in a matter of days. "I find I need to make all those decisions before I write a single word, and then the dialogue and exploration of character can be done with confidence."

"Harold Pinter was asked by somebody how he wrote, and he said: 'Well, I just get a bunch of chaps in a room and then see what happens,' which, of course, is a monstrous lie - he spends a lot of time plotting. But hundreds of young dramatists of the time who were admirers of Pinter thought: 'Right!' But the point is, bugged all happens [if you just do

that] the characters all sit there, saying: 'Er... walls, eh?'"

He explains: "I grew up accidentally through so many branches of theatre, which made me a complete theatre animal," then he adds, "I hope I'm not that awful person who stands behind all the different disciplines, saying to the designer: 'No - green!'"

In his mid-teens he was involved in touring productions in

'I'm the [Scarborough] theatre's best advertisement, but probably its worst enemy as well because I'm here'

which Sir Donald Wolfit directed casts of students, and it was during this time that he decided his life would be in theatre. He left school without sitting university entrance exams. "I left on Friday, spent the weekend packing, and on the Monday I was off to London to begin rehearsing at the YWCA in Great Russell Street."

After stints as an assistant stage manager and actor in sev-

eral repertory companies under "a series of guardian uncles and aunts", he arrived in Scarborough to work with "the extraordinary Stephen Joseph [director and benefactor], who really broadened my horizons, because he took me on as a stage manager but both encouraged me as an actor and also began to demand that I write."

"He had this unheated theory that the writer belonged inside the fabric of the theatre and not in a cottage in the Orkneys, and because he couldn't actually afford to employ writers, he had to get them from the inside."

Ayckbourn is very much a product of theatre as a practice. "If you want to write for theatre, find out about it. It's been quite fashionable almost to ignore the theatricality of theatre, to think it didn't really matter if it was a television play or a radio play or a film script. Writing television plays in the theatre seems to me to be a terrible waste." Yet perhaps paradoxically, in addition to plays, he cites as inspiration "all the films I've ever seen, all the silent comedians from Laurel and Hardy onward."

Although not particularly forthcoming about his alleged role in Sir Peter Hall's *Shadow Arts*



Alan Ayckbourn: inspired by Laurel and Hardy Tony Harrison/LNP

Council - "It was a bit confusing to start off with; I read about it, and the next thing I knew I read [that] I was on it" - Ayckbourn grows animated on what is now, sadly, the perennial crisis in theatre funding.

beliefs and emotional bonding take place in a world where ideas and beliefs and emotional bonding are really rather difficult. Awful words get thrown at it like 'elitism', when one spends years and years trying to open it out and demystify it. It's so enervating. One fears for the future of the theatre. It has to be addressed."

"I'm the [Scarborough] theatre's best advertisement, but probably its worst enemy as well because I'm here. There was a leader in *The Times* which was really the last straw, saying, if Alan Ayckbourn wants a theatre in Scarborough, why doesn't he pay for it? And, to their credit, they ran letters from people like Peter Hall and Andrew Lloyd Webber, who all wrote and said it's like saying, if Trevor Nunn wants a National Theatre, why doesn't he pay for it?"

Then he catches himself and tries to laugh it off - "... Sorry, I got quite passionate and furious about that". But it is clear he continues to feel deeply about the issue. He seems to be addressing it as much as he does the accusations of creating easy, middle-class drama which persist in dogging him.

"If you have to accept a certain unfashionableness in order to keep from being seen as 'seriously trendy', then that's great. [My characters] always have been middle, but middle's a huge area. My 'middle' goes from the bottom and rising to the top end and falling, and I always assumed that that was most of the country."

COMPACT CHOICE

TOM WAITS
Mule Variations
Epitaph Records

It does not take long, on Tom Waits's first new release for nearly seven years, to be reimmersed in the grizzled Californian's eccentric musical universe: the very first bars of *Mule Variations* emit an ugly percussive noise which is nearly impossible to identify. Is it ethnic? Industrial? Something afoot in the CD player?

It turns out to be an old recording of the artist screaming and banging on a chest of drawers. Waits loves to pitch in the fertile no-man's land between the home-made and the obscure. "Surrealism" is how he describes it, and it's not a bad summation; there has always been the cowboy and the avant-gardist in his music, for every swaying shanty a dissonant, difficult piece of art.

Mule Variations is, well, more of the same. The album's sequencing is clever: it lurches from one extreme of his musical personality to the other with aplomb, so that he constantly surprises us. From the ironic musings of "Big in Japan", through the manic distortions of "Low-side of the Road", to the Springsteen-esque romanticism of "Hold On"; how Waits loves to play, with his voice, his characters, his cava, disturbing lines ("The dice is laughing at the man that he's throwing").

His fans - and this album will not win him any converts - will doubtless prefer one side of Waits to the other: I have always gone with the schmalzy, booze-soaked ballads of his earlier period, and there are splendid examples on *Mule Variations*. "Pony" is a craggy wanderer's lament, gravel-

voiced, full of references which manage to be quotable and mythic at the same time ("I wish I was home in Evelyn's Kitchen with old Gyp curled around my feet") and magical playing from the three-piece (pump organ, dobro and mouth harp) band.

"Picture in a Frame" is a gorgeous, unaffected love song; "Georgia Lee" is angry and righteous. But there is plenty of the mischievous Waits, too. "Black Market Baby" is seemingly written entirely round the admittedly good line "She's a diamond that wants to stay cool", while "Filipino Box Spring Hog", driven by long-time collaborator Marc Ribot's guitar and a fleet of typically desec images, is Beefheartian bluster at its best.

There are some false notes on this generous (over 70 minutes) album. However post-ironic we have become, no one under the age of 75 should start a song with "Well I woke up this morning" ("Cold Water"), while "What's He Building" is a mordant monologue more successful in conception than execution.

But it is good to welcome back the misfits, twilight bucksters and existential heroes who litter Waits's songs (most co-written with his wife Kathleen Brennan). There was a time when one feared for Waits's attachment to dime-store romance and heroic failure, worried that the evil spirits he relentlessly conjured ("There ain't no devil, there's just God when he's drunk") would finally bring him down. *Mule Variations* finds him mostly in melower waters, although there is no one you would rather hear rough up a melody than this curious, charismatic poet of dislocation.

Mule Variations is released on April 19

David Bailey - *Birth of the Cool* is at the Barbican Art Gallery (April 15-June 27).
Terence Donovan - *The Eye That Never Sleeps: London Photographs* is at the Museum of London until August 1.



Cultural catalyst: David Bailey's Andy Warhol, Vogue, July 1965



Stilted and dated: Fashion for Brides, Park Lane Hotel, Piccadilly 1995 by Terence Donovan

Opportunity knocked

Richard McClure surveys the work of two icons of photography who came to epitomise a turbulent decade

Last year, when the National Museum of Photography, Film and Television in Bradford, north England, exhibited the early work of David Bailey and Terence Donovan, it took its title from Jonathan Aitken's book identifying the youthful high-fliers of the 1960s.

Young Meteors seemed a fitting description. If anyone deserved the hyperbole, it was surely these likely lads of British photography, the East End geezers who dragged fashion on to the streets and banished stiff formality from the world of portraiture. As court photographers to the new "popocracy" of models, musicians and actors, Bailey and Donovan themselves came to epitomise Swinging London, their names forever linked in the public imagination: Lennon and McCartney with lenses.

That, at least, is the popular perception. Quite how accurate a picture it is can now be judged by two comprehensive solo exhibitions in London, which invite us to look beyond their shared characteristics and assess their individual merits.

Of the two, Bailey has stronger claim to have been a catalyst for the decade's cultural shifts, rather than merely its witness. Yes, he borrowed freely from French cinema and his celebrated fashion shots of models slumming it in grimy locations had been pioneered by the likes of Avedon and Horvat years earlier.

But, at a time when magazine sales were soaring, his unique three-way contract with British, Italian and

American *Vogue* largely dictated the look of the era, a view confirmed by *Birth of the Cool*, a selection of his 1960s portraits and fashion work at the Barbican.

In some respects, a Bailey retrospective is the last thing we need. With regular exhibitions at Hamilton's gallery in Mayfair, a freshly signed contract with *Harper's* and a ready enthusiasm for taking pictures of his naked wife (some of which he has shoe-horned into this show), his profile has scarcely diminished over the years.

Yet with Bailey, there is always something to arrest the eye, enough nuances and variation to reward repeated viewing. Even the blunt impact of those stark signature portraits - a cocksure Michael Caine, the Krays' intimidating girth - has not been lost through over-familiarity. Individually, they may sacrifice psychological insight for sheer force of presence but, taken together, they perfectly capture the spirit of the times, each subject's steady gaze building a mood of collective assurance.

The fashion images, too, have weathered well: an ice-cool Jean Shrimpton encased in Biba; Penelope Tree in beads and furs. The composi-

tion is impeccable, the fluidity of form irresistibly modern. The few pictures that smack of strained invention - Shrimpton gamely clutching a parrot, for instance - are sustained by Bailey's infectious panache and a flair for motion and gesture that transcends the mere depiction of clothes.

These qualities also find expression in an unexpected

If anyone deserved the hyperbole, it was surely these likely lads of British photography

quarter. Throughout the decade, Bailey returned to the East End to document the child boxes, local boozers and condemned buildings of the neighbourhood he'd left behind. Rarely seen, the large-scale colour works are among Bailey's finest photographs, evoking the seaminess of the Mile End Road as effortlessly as he captured the sexual energy of the Chelsea set. Had he pursued this field of inquiry, who knows what he might have achieved?

More than anything, it is this versatility that separates Bailey from Donovan, whose own cause is particularly poorly served by a collection of his work on view at the Museum of London. His first retrospective since his suicide in 1986, it draws on more than 100 negatives, each displaying the finely crafted discipline one came to associate with the black-belt, testotal "Falstaff of photography".

Set against Bailey's hip exuberance, however, Donovan's fashion pictures seem stilted and dated. Commissioned to photograph men-swear for *Men About Town* magazine in 1960, Donovan also took his models on to the streets, posing them by signs and power stations, only then to undermine this cod naturalism by shooting them as static and unmoving as any of Cecil Beaton's white-gloved mannequins.

Perhaps sensing the obsolescence of this work, curator Robin Muir has attempted to position the images within a broader framework, pitching Donovan as an observer of London life. His catalogue essay makes much of the photographer's "intense love" of the capital and the show's very title, *The Eye That Never Sleeps*, suggests a Cockney

flamboyance, roaming the streets with his camera, chronicling the city in the style of Bresson's nocturnal portraits of pre-war Paris.

The pictures themselves sit uneasily with this notion of a photographic Peeps. Donovan had little interest in documentary work ("I don't really want to report on life," he once explained) and his indifference is duly reflected with a series of flat, uninspired shop-fronts and half-hearted photo-essays about Soho strippers and an anarchist commune.

For all its aims of cementing Donovan's reputation, *The Eye That Never Sleeps* attests only to sad decline. Although his profile remained high for the last 20 years of his life, it was largely due to lucrative commercial work where his technical expertise was highly valued. The "creative" pho-

tographs from this period are sobering affairs: a desultory lingerie shoot in Park Lane Hotel; a coy portrait of Kenneth Williams and his mother Louie that gives no hint of their complex, co-dependent relationship.

Partly, of course, this fall from grace was generational. But it was hastened by an inherent conservatism in Donovan's work. Like Bailey, Donovan actually came of age in the 1950s, got hooked on photography during National Service and was more in tune with capitalism than the counter-culture. By the 1960s, it was no surprise to find him taking the official engagement portraits of Prince Andrew and Sarah Ferguson. Prestigious, yes, but hardly cutting edge.

The sense of staidness is emphasised by a final set of rather pointless family photographs. To some degree,

their inclusion can be excused. Donovan's widow Diana was closely involved with organising the exhibition, which is intended as a fond tribute to a widely loved figure. Even so, do we really need to see Donovan's children at public school or rubbing shoulders with the Rothschilds? Or, for that matter, his wife "attending Bunny Roger's Lilac Ball in Holland Park?"

Then again, maybe these private pictures are not so irrelevant. Here, after all, is the son of lorry driver embraced by high society, a Stepney lad who crossed the social divide. In their own way, these images encapsulate the 1960s as much as any mini-skirted model, charting the new egalitarianism and tumbling of social barriers that was the decade's most significant advance. Not perhaps the birth of cool, but certainly the birth of opportunity.

David Bailey - *Birth of the Cool* is at the Barbican Art Gallery (April 15-June 27).
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OFF-CENTRE

Juggernauts with vast powers of attraction

An apprehensive Gillian Tett tries to uncover the roots of the popularity of Japan's outsize sumo stars

Mitozumi wobbles with 180kg of fleshy intent, according to the official weight statistics in Japan's Sumo World magazine.

But as he waddled into the ring to compete in a sumo contest in Osaka last month, even this startling figure seemed an understatement. His huge paunch stuck out like a half-deflated balloon. His limp breasts dangled. Tiny eyes peeked out between swollen cheeks. Even his toes looked strangely inflated.

"He's my favourite!" squealed Tomoko, a pink-faced young Japanese girl who announced herself as an "office worker", as she sat half a stadium away from Mitozumi in the cheaper seats at the Osaka gym.

Wearing a neat mini-dress, she was slim, dainty, and clutched the latest in female sumo-watching chic - a pair of pink binoculars.

"Wow!" squeaked her two friends breathlessly, as Mitozumi chuckled ceremonial salt into the air amid roars from the crowd. Tomoko giggled again. "He's really something, isn't he?"

On my first trip to a sumo contest, I barely dared respond. Watching a sumo wrestler compete for the first time in the flesh is an experience that evokes a mixture of horror, voyeurism and sheer awe.

It is not simply that they are far bigger than the cold statistics or the television screen can capture. Nor is it that sumo appears to turn European sensibilities about the human body upside down - fat men in Europe might cover their bulk with baggy T-shirts; sumo wrestlers, by contrast, flaunt it with scanty loin-cloths tied round their bellies and buttocks at the least flattering angles.

Instead, the most striking facet of the sumo world to a non-Japanese eye is the reaction of Japanese women. Japan, after all, has made a virtue of minimalist good taste. Its women are either naturally skinny, or feverishly consuming diet products with names such as "Calorie Mate".

But six times a year, as the hefty sumo men battle in their traditional tournaments, they are treated with the kind of reverence European or US women accord to a sex symbol or screen god. "The wrestlers are seen like a rock star or movie star, I suppose," says Andrew Adams, editor of Sumo World, who estimates that 25 per cent of his readers are female.

This clearly stands the wrestlers in good stead: outside the stadium, they have a penchant for marrying famous and beautiful models, actresses or singers. There is Sumika, for example, the skinny ex-model wife of the 290kg former star wrestler Kotoshiki. There is Keiko, the pretty ex-choruswoman on Fuji Televi-

Watching a sumo wrestler compete for the first time in the flesh is an experience that evokes a mixture of horror, voyeurism and sheer awe

generous," Tai admits.

Or perhaps it is owing to the sheer attention the sumo men give to personal grooming. They are whispered to have baby soft skin, as a result of their rich diet. And their long hair, a potent sumo symbol since the 19th century Japanese leadership banned



ordinary mortals from sporting such locks, is luxuriously massaged each day with special oils. "After they have put this special oil in it takes a whole bottle of shampoo to get it out,"

sumo wrestlers are ordinary pin-ups in the modern sense," Nagasaki explains. "But I think they are a symbol of what is good about old, traditional Japan."

In her case, for example, her photograph was given to Wakamatsu 13 years ago when she was a 22-year-old office worker at Fujitsu, the electronics group. Wakamatsu, who has heavy, pug-like features, promptly proposed, in traditional *omiai* - or "arranged marriage" - style.

"We never met each other by ourselves before we married, but he used to call me by telephone," she explains. "His officials said 'the master is someone you can trust' - so I decided to trust him. And I am very happy."

Her choice has not led to an entirely carefree life. Aside from cooking endless meals for her

husband, who eats 10 dishes at each sitting, she also helps care for the dozen young boys who live full-time at the stable. Though she has put Wakamatsu on a diet since his retirement, to reduce his weight from 180kg to a mere 120kg, this has actually complicated her cooking load.

But this is unlikely to deter some sumo fans. "With these times of recession I think the popularity of *omiai* may be actually rising," says Tai. "Women want some security."

And true or not, the Japanese female fans who are now waiting for the next sumo tournament next month can find at least some comfort: though Mitozumi performed poorly in the Osaka round, he is, at least, still single.

Additional reporting by Mitozumi Matsuzaki

INTERNATIONAL LAW

When do we have a legal right to bomb?

David Wedgwood Benn is hopeful about enforcement of the international rule of law

The extradition proceedings against General Augusto Pinochet of Chile have already produced one result of enormous importance. They have created a new public awareness of the reality of international law.

The Nato bombing of Serbia, however, has raised another issue of international law which still gets less attention than it deserves: in what circumstances is it legally permissible for one state or group of states to use force against another? Is this essentially a matter for discretion or are there any binding rules?

The issue arose last August when the US bombed alleged terrorist bases in Afghanistan and Sudan in reprisal for the bomb attacks on the US embassies in Kenya and Tanzania. The Anglo-American bombing of Iraq highlighted the issue even more sharply. And perhaps even more important in the long run is the plan to give Nato a new strategic concept, now that the cold war is over.

This, too, has international legal implications. How far can one alliance unilaterally assume the role of world policeman?

These questions are of more than theoretical importance. Laws of whatever kind have to be developed with at least a minimum of consistency. If, for example, the US had the legal right to bomb Sudan last summer, did Britain have a similar right to

Reagan years, there was a subtle shift in the US attitude towards international law - as Moynihan clearly demonstrates. In the past, he pointed out, the US had been firmly committed to promoting a world rule of law - in principle even if not always in practice. But this was eroded for several reasons. First, US opinion turned against the UN, largely as a result of the anti-American and anti-Israeli tone of non-aligned states in the General Assembly. At the same time, American rhetoric about the Soviet "evil empire" created the entirely misleading impression that world communism was winning the cold war.

In 1984, Jeane Kirkpatrick, the then US representative at the UN, went on record as saying that the US could not practise "unilateral compliance" with the UN Charter when other states violated it with impunity.

US actions during this time - such as the invasion of Grenada (a member of the Commonwealth) in 1983 on the pretext of preventing a Cuban takeover - all reflected this diminished respect for international law.

It was also during the 1980s that the US Senate began refusing to authorise the payment of dues owing to the UN - a clear breach of US obligations under the UN Charter.

All this is an important subtext to the Nato intervention in Kosovo. Alongside an open debate about international law, there is a muted debate as to whether international law really matters. There is no legally clear authority for a "humanitarian" use of force unauthorised by the UN.

And even if a legal justification does exist this still leaves a big question unresolved. What kind of a precedent is Kosovo meant to create? There are influential forces which hope to use the Kosovo tragedy as a first step towards decoupling Nato from the UN.

If Nato is indeed to free itself from the constraint of the UN, it will need more than a new mission statement - because the original Nato treaty is expressly linked to the UN Charter. Article 7, in particular, states that the treaty shall in no way be interpreted as affecting obligations under the UN Charter; and it reaffirms the "primary responsibility of the Security Council" for the maintenance of peace. If the intention is to change this, then the treaty itself will require radical amendment.

Some people may try to justify such a change on the grounds that the UN is paralysed by the Russian veto on the Security Council. But this need not be insuperable. If Nato claims to be acting in the name of the international community it can still seek a vote in the UN General Assembly.

And if it claims to have international law on its side, there is

There are influential forces hoping to use the Kosovo tragedy as a first step towards decoupling Nato from the UN

nothing to prevent its arguments to the International Court of Justice which is empowered to give advisory judgments. Legalistic arguments at the present time may seem irrelevant, given the scale of the Kosovo emergency. But in the long run they will have to be sorted out. And in any case, international law is far from being on the decline. The Council of Europe, which adjudicates on human rights, has expanded beyond the wildest expectations of those who founded it in 1949.

It now embraces 40 member countries and has a jurisdiction stretching from western Europe to Vladivostok. No less remarkable has been the rise of Amnesty International, the human rights group, which played a key part in the Pinochet case.

All of this prompts one final point. Even when politicians lack the will to defend international law there still remains one powerful agency: the media. Without sustained media support, Amnesty International could never have succeeded as it did. And it is journalists above all who have the power to prevent international law being dismantled by stealth.

David Wedgwood Benn is a former member of the BBC World Service

MODERN LIFE

Dear Mum, No worries, Killing Fields just fascinating...

Keeping contact by e-mail was a godsend for Pat Walker when her son backpacked in Asia. But then the messages stopped

My son is travelling through south-east Asia and Australasia and, thanks to his e-mail messages, I feel as if I am with him much of the time. But sometimes I wonder whether it might be preferable to be kept in the dark.

It all began on Christmas Eve 1991 at Heathrow Airport on the outskirts of London. My son Luke emerged from customs into the arrivals hall full of ideas. "I've got some fantastic plans, mum," he said. "I'm going to take an extended holiday."

"Great," I said. "How extended?" He had just had a fortnight in San Francisco with an old school friend and Christmas and new year holidays stretched ahead.

"Well, more like indefinite, really." There followed a tactical silence. "I did go straight to uni from school then straight into work. Most people take a year out, so I thought I'd have mine now." He paused. "Well, it might actually be a bit more than a year. But I have worked for three years and I've got all that experience behind me."

He was planning to ditch his job - the one he had been so

lucky to get only a few months after graduating.

"Anyway, just get e-mail and I'll keep in touch. There's nothing to worry about. I'm not going anywhere dangerous."

"Really? Where exactly are you going?"

"Well, Cambodia for the first ever elections in July. Then Laos, Indonesia and Malaysia. I might chill out for a bit in Thailand then go on to Australia and New Zealand. I expect I'll have run out of money by then, so I'll need to work in Australia and New Zealand to keep going."

A month later he had given in his notice at work and to the landlord of his shared London house, acquired work visas for Australia and New Zealand, organised immunisation against all known diseases, bought a rucksack and made lists headed "Do" and "Buy".

My husband was scathing about having e-mail installed on our ancient computer. "How is he ever going to find anywhere to e-mail you from in Cambodia?" he asked, reasonably enough.

I had it installed anyway and indeed the e-mails came reassuringly regularly from

"paradise" islands in Thailand, and from Laos. "Brilliant - lots of tiny villages, floating down the Mekong on giant rubber tyres, Thailand one side, Laos the other. No one about except a few chilled-out rice farmers. Big caves to explore and waterfalls to climb and jump off. Going to Cambodia. Speak to you soon."

Then the messages stopped. This was the moment I first began to doubt the value of e-mail. If I had only been expecting the odd card, posted in a remote village every now and again, I would not have worried. Instead, I was being driven frantic by the lack of messages. The silence lasted nearly six weeks.

Then, there it was - a message from my boy. "Hi ma. Don't worry, we've managed to get out of Cambodia! Fascinating and scary. Totally anarchic. Guns in the hotel. Locals hanging round wanting to show us the Killing Fields. Went on the back of some motorbikes to look at a shooting range. Bit unwilling but not keen on upsetting the locals. A policeman sold me his badge for a dollar and we bought some bullets for an AK47. For three

dollars. We fired them on this range and took pictures of one another holding the AKs."

"A mad American paid \$40 to shoot at a cow with a rocket-launcher but luckily missed. Apparently the gun is fixed so no one ever hits the cow. It's worth too much to its owners. Jim [his friend since nursery school days], threw a hand grenade into a pond and we took a picture of it going off. Talk to you soon."

There were tears of joy and then suddenly a sick feeling. The message was dated the previous day. Yesterday he was fine. But where was he now?

There was no further communication for three weeks. I concentrated on not panicking and limited my logging on to once a day.

Then came: "Last three weeks have flown by. Just over a week on a collection of 99 tiny tropical islands. White sands, palm trees, green waters and no one around. Just me and Jim, two fishermen, one cook and a bloke who owns some huts to kip in. Swimming and swinging in the hammock by day. We taught them some card games in the evenings for

entertainment. Total bliss."

By now the money was running low and Jim returned to the UK to start his job with a City law firm.

The next e-mail came from Hong Kong on Luke's birthday. "Had a good birthday hanging out on the beach reading a book you'd given me - which I enjoyed very much."

"Funny moment at the airport waiting to board my plane coming here from Singapore. People at the next departure gate were heading for Heathrow. It was a strange moment wondering which side of the world I really wanted to be heading for. Thoughts of Australia next week and good weather kept me here."

A few days later he and two lads he had met in a hostel in Sydney's Kings Cross district ("groovy hostel, seedy area - drugs and prostitutes") had moved into a rented flat in Darling Harbour, found jobs and settled down to normal life with an address and a telephone number.

For the first time in 10 months those three magic words, YOU HAVE MAIL, have lost their potency.

هنگام الاصل

The king of the coups

how to spend it

Helmut Lang's space-age theme made other shows look twee. Now the Austrian designer's penchant for breaking the mould has prompted his latest surprise venture. Paula Reed reports

I was just winding up my interview with supercool Austrian designer Helmut Lang last week when he dropped the bombshell. Right after he'd assured me that if I had any more questions I should not hesitate to get in touch he added, almost as an afterthought, "Oh, and I am going into partnership with Prada."

"Pardon?" was all I said, and he rolled out the blueprint of his plan.

Prada and Helmut Lang, each with a distinctly individual design signature, seem cut from the same maverick cloth. But if, a month ago, you had asked any fashion insider to assess the probability of a joint venture between the two they would have given it the same odds as Madonna marrying the Prince of Wales.

In the emotional, diva-driven world of fashion, competing houses do not jump into bed together. Egos aside, the focused business sense needed to see such a move through is not an attribute commonly exhibited by influential design gurus. (LVMH's Bernard Arnault collects fashion houses like boys collect marbles, but then, as dedicated fashion followers like to say, archly, "he's an accountant".)

Lang, though, has the ability to cover all bases - from creative to commercial - and with flair. He is defining our age as precisely as did Saint Laurent in the 1970s and Armani in the 1980s.

For most of the 1990s, fashion has been summed up by a cliché: everything old is new again. The notebooks of fashion editors at the collections have become a ragbag of references and recurring themes: a 1960s colour palette here, some Courrèges-inspired modernism there, with a few trendy things that would have suited Lauren Hutton in her heyday thrown in. But Helmut Lang doesn't do derivative. He believes in designing new stuff, and flouting the system.

The new joint venture grants both Prada and Lang complete independence in their design and public relations departments, but the "big things", as Lang calls them - such as manufacturing, distribution and marketing - will be pooled. The likelihood is, he said, that Patrick Bertelli (Mr. Minucia Prada) will be the guiding force behind the new company's operations, but as yet there are lots of details to iron out.

For the past two years, Bertelli has seemed to be nurturing ambitions to create a luxury goods group. There were several thwarted attempts to branch out - the most famous was his move on



Good which came to nothing but netted him a tidy profit of \$140m when he was forced to bail out earlier this year. Then about a year ago, there were rumours of Bertelli making fruitless attempts to buy into (il) Sander. Now he has a groundbreaking partner.

Lang is that rare designer who manages to produce original clothes that don't make you look stupid. His style is cutting edge, but conforms to classic proportion - a potent combination. "The fashion weary, who have been too uncomfortable for too many hours in too many sarong-like trousers ever again, buy Lang's in multiples. The plain black smoking suit he created for women in the coming winter collection is the best since Saint Laurent first conceived the idea.

The space-age theme he worked out on the catwalk for the millennium season was so appropriate it made all other avant-garde shows look twee. The warmed-over futurism of Pierre Cardin and Courrèges

look lame compared with Lang's big parkas woven in solid silver thread, or his featherlight cashmere sweaters and utility skirts with huge, invisible pockets. While fashion dictates (you must have this bag, you need this coat, you can't get by without these shoes), Helmut Lang suggests, then proves. "Clothes should be good on their own as single pieces," he says. "That's radical. In a show you propose your look, of course, but the clothes must have the ability to be by themselves. The one who wears it makes their personal look."

Oh yes, that old chestnut. But aren't customers still hooked on the designer look? Hanging on to the fluctuating hemline? Just dying for pink to be the new black? "Things are more subtle now," argues Lang, convincingly. "You can't fall back on the old ways. The borderlines between couture, prêt-à-porter and street fashion have disappeared. The new way is to have them all merged. Street style is in couture, subtle but very effective. We are in the middle of a big revolution. Fashion is so connected to the needs of people... or should be... so it has to move fast."

Being "connected" means understanding how irritating it is for a woman to have her entire wardrobe made redundant overnight by one Machiavellian sweep of tailor's chalk. Lang understands this, and goes against the grain.

Choosing to refine his ideas rather than reinvent every season, he takes a risk that people will get bored and buy less. But he has already been rewarded for his free-thinking, with growing influence and commercial success. His sales rise and, the most reliable litmus test for success, his key looks resurface in the high street, such as Aertex vests, "boy-cut" trousers and acid pink everything.

When you have read about Helmut Lang, but never met him, you expect some hipper-than-thou otherworldly. The nice Austrian bloke you get is a bit of a surprise. There aren't many pictures of him around and he is said to be unco-operative about having his photograph taken. "I don't look so good," he explains. "I feel sorry for the photographer trying to get something good and so I feel awkward and can't give anything in front of the camera."

He could always do what "arty" fashionistas do and wear dark glasses all the time, but I have never seen him in any. He doesn't even do the triumphal march thing down the catwalk at the end of his shows.

Heaven knows, it is not for want of encouragement from the hand-clapping hordes. Instead, Lang gives a quick nod and a wave as he peeps out from the back of the set. He doesn't hang out with the "in" crowd. "I don't want to be in a ghetto," he says. "It's unhealthy... whether it's a music ghetto or a fashion ghetto or a banking ghetto or whatever."

And his front row is not full of carefully selected celebrities. "We are actually dressing a lot of famous people at the moment," he says matter of factly, "but we don't do it for publicity. I like them to be in the shop, enjoying the clothes and buying them but I don't court them. The one to have is different every year so just as soon as you make a connection with someone you'd have to be off chasing another, so I don't do it."

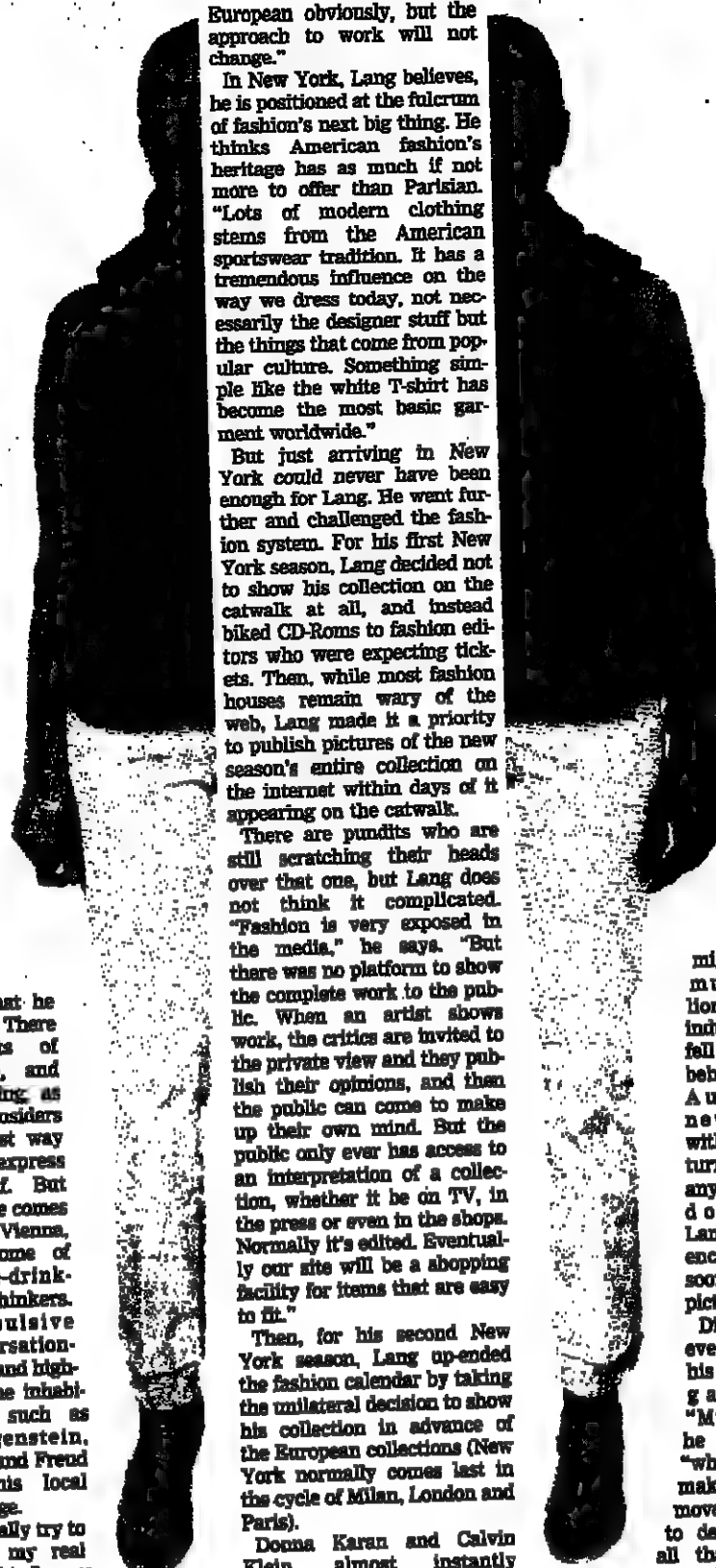
Lang speaks slowly, keen to mean what he says and

say what he means. There is lots of silence, and chuckling as he considers the best way to express himself. But then he comes from Vienna, the home of coffee-drinking thinkers. Compulsive conversationalists and high-artplane inhabitants such as Wittgenstein, Jung and Freud are his local heritage.

"I really try to share my real thoughts," says Lang. "Designer sometimes make things so simple. I think it sounds childish. When I read that someone says they love to dress strong women, I wonder what that's all about. It's so much more complex."

Lang was brought up in the Austrian Alps by his grandmother and grandfather, who made hiking boots. At 10 he moved to Vienna, where he lived until two years ago, showing his collections twice a year in Paris. Since his debut in 1986, Lang has been vital viewing for the fashion press, many of whom he has infuriated with his choice of small, low-key venues that could accommodate only a fraction of those who wanted to come. For the privileged few, the experience was about as comfortable as rush hour on an underground train during a work-to-rule.

Two years ago, having progressively moved more and more of his business to New York, he decided to move himself there too. For many, Lang's move was puzzling. How could he shun Paris, where the creative cutting edge is nurtured, for New York, where fashion is notoriously driven by the bottom line? Wouldn't it spell change-for-the-worse at Helmut Lang Inc? He says emphatically: "I came to New York as a complete person already. I'll progress from there. I'm very



European obviously, but the approach to work will not change."

In New York, Lang believes, he is positioned at the fulcrum of fashion's next big thing. He thinks American fashion's heritage has as much if not more to offer than Parisian. "Lots of modern clothing stems from the American sportswear tradition. It has a tremendous influence on the way we dress today, not necessarily the designer stuff but the things that come from popular culture. Something simple like the white T-shirt has become the most basic garment worldwide."

But just arriving in New York could never have been enough for Lang. He went further and challenged the fashion system. For his first New York season, Lang decided not to show his collection on the catwalk at all, and instead hired CD-Roms to fashion editors who were expecting tickets. Then, while most fashion houses remain wary of the web, Lang made it a priority to publish pictures of the new season's entire collection on the internet within days of it appearing on the catwalk.

There are pundits who are still scratching their heads over that one, but Lang does not think it complicated. "Fashion is very exposed in the media," he says. "But there was no platform to show the complete work to the public. When an artist shows work, the critics are invited to the private view and they publish their opinions, and then the public can come to make up their own mind. But the public only ever has access to an interpretation of a collection, whether it be on TV, in the press or even in the shops. Normally it's edited. Eventually our site will be a shopping facility for items that are easy to fit."

Then, for his second New York season, Lang up-ended the fashion calendar by taking the unilateral decision to show his collection in advance of the European collections (New York normally comes last in the cycle of Milan, London and Paris).

Donna Karan and Calvin Klein, almost instantly announced they would join him, and most New York designers then agreed they too would show early the following season. The collective

chuckle, "and I was amazed our name was strong enough to do that."

Lang has worked hard to spur his company from cult to commercial success. He is opening more stores and bringing sales and PR in-house to a flagship building on SoHo's Mercer Street. Helmut Lang eye-wear is being launched at the beginning of May. The first scents, one for women and one for men, are scheduled to appear at the end of the year.

Maybe, under his affable exterior whirrs the mind of a ruthless strategist? Lang laughs at the idea of having a "10-year plan". "I don't have plans at all. Many questions I have been asked about the future I can't answer properly because I'm not into long-term prediction. Life and circumstances have so much to say on the way."

With Patrick Bertelli and Minucia Prada in his corner, the 10-year plan seems to have been pretty neatly sewn up. Even though details remain sketchy, seasoned industry insiders are genuinely excited about the new company giving both parties immediately expanded opportunities. Prada's sales are expected to reach \$900m this year so Lang will certainly have money to invest in his company as well as the leeway to develop an accessories line. And Prada now claims an interest in a growing brand with lots of potential, without having to launch a new product.

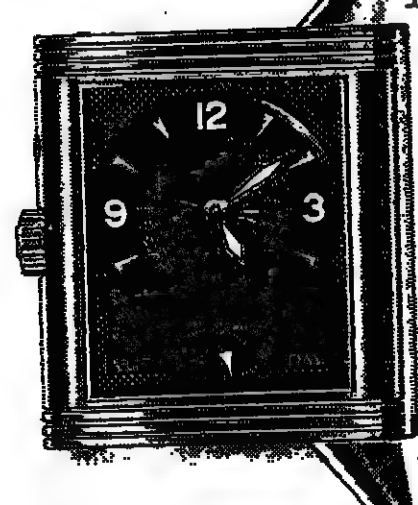
Patrick McCarthy, editor of Women's Wear Daily, summed up the pairing: "I was very surprised. But the move fits in with the conglomeratisation of fashion. For Helmut, it's a smart move. Where else would he go for money: a bank, the stock market? Those Wall Street guys don't understand fashion: the importance of fashion shows, understanding licensing. In Bertelli, he has an experienced and sympathetic ear."

Surprisingly for a man making such heady progress, Lang's philosophy remains simple, his style understated. "Work is the central thing in my life. You have structure there. It means a lot. And work is not only limited to creating clothes. I work hard and I always try to do my best." He is still less concerned about soundbites than sound design.

might of a multi-billion dollar industry just fell in behind the Austrian newcomer with a \$100m turnover. If anyone still doubted Lang's influence, they soon got the picture.

Did Helmut ever doubt his New York gamble? "Mmmmm," he ponders, "when you make a big move you have to detach from all that is old. Otherwise I think it would kill you... I was surprised that CK and DK decided so quickly to show at the same time as me," (he breaks off to

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'Lots of modern clothing stems from the American sportswear tradition. It has a tremendous influence on the way we dress today.'

Portrait of Helmut Lang by Elife Semotan. Fashion photographs by Joergen Teller.

Mud, glorious mud

Mark Wallace wriggles into an aromatic bath of green clay and succumbs to its restorative powers

A two-hour drive east of Los Angeles, through a land of endless boxcar trains and hazy skies, sits Two Bunch Palms at the edge of the dusty town of Desert Hot Springs.

Rolling up at dusk, one almost misses the guard-box and gate, beyond which no visitor may pass without an appointment. The watchword is maximum privacy. This spa has a history stretching back nearly 75 years, and a reputation for exclusivity and anonymity that keeps the celebrities coming back.

On-screen, this was the scene of Tim Robbins' and Greta Scacchi's nude mud bath in the 1992 film *The Player*. Off-screen, Two Bunch Palms is a true-life tale which is just as steamy, involving entertainment executives' extramarital trysts, and stars desperate to duck the spotlight's glare.

I went there to prove to myself that spas are not nonsense, that their benefits are truly tangible.

Arriving too late for treatment, I resigned myself to an early bed. This plan was soon abandoned, however, in favour of a dip in the mineral-water jacuzzi set in the private patio off my room. Any thoughts of activity quickly dissolved in the warm water, under the star-filled desert sky. Within 15 minutes of my arrival, my ability to relax had increased considerably.

Treatment proper began the next day. I was stretched out on a massage table with only a strategically draped towel between myself and the masseur who was to administer my Roman Celtic Brush. This alternated brushes of varied coarseness with hot and cold mineral water hose baths until an entirely new skin seemed to cling to my tingling body. A five-minute sauna soak came next, then a stroll through the cool desert air to an outdoor massage cabana.

As connoisseurs will tell you, there is nothing quite like being

ministered to by an expert masseur. It's not just about having tension squeezed from tired muscles; to me, a spa-treatment tyro, it seemed even more about surrendering the control we ordinarily think so indispensable.

I was soon surrendering control all over the place. The next day, naked again, I slipped into an outdoor mud bath, though "slipped" does not quite convey the effort necessary to accomplish my immersion. Two Bunch Palms mud is derived from the area's spring waters, which bubble up at 148°F. As the waters cool in reservoirs to a more tolerable temperature, the sediment that bubbles up with them settles. This is combined with peat moss and the unique

naked body caked in thick mud. I took a short sunbath. "We have no hard and fast rule on clothes," I was told by Jay Ramstead, the spa's sales and marketing co-ordinator, who first came to Two Bunch Palms 15 years ago as a guest. "Talk softly is the only rule here." It is a rule designed to keep Two Bunch Palms "your island of calm in a sea of stress", as its slogan goes. And to cultivate a clientele as discreet as the spa's staff.

Hamstead declines to name famous clients, but Mel Gibson had been there recently, I learned, and Barbra Streisand and Robin Williams are said to be regulars.

The twin strands of imposing California fan palms that give the spa its name were originally

that has hardly changed in the 15 years she's known it. Two Bunch Palms, however, has improved considerably. "On my first visit, there were no sheets on the bed," Smith told me. "I asked a housekeeper and she just tossed some sheets at me without a word." Besides upgrading service, Smith, who started work as a mud girl, has increased the number of therapists to 45 and has added new treatments at the rate of about one a year.

The spa menu now offers 40 of the latter, from Swedish massage to colour therapy, something known simply as Esoteric, and Watsu, with which I ended my stay. An hour-long massage that takes place in a mineral bath, Watsu is about as esoteric a treatment as I thought I could stand, and is the ultimate in surrendering control.

Relaxing my body completely in the water, I was supported only by the hands of the Watsu therapist, who proceeded to twist, stretch and rock my body. After a while it was easy to forget that a stranger was manipulating my body in what might otherwise seem an intimate fashion and, at the end of the hour, the last thing I wanted to do was to rise and walk again.

One of the spa's main attractions requires no appointment or therapist. It is the grotto, where guests can bask among the palms in mineral waters cooled to around 100°F that flow from the springs day and night. Two Bunch Palms can be picked out by their ability to read a paperback while afloat in the waters. This is a talent I'd be more than willing to acquire out there in the desert.

Two Bunch Palms resort and spa, Desert Hot Springs, California 92240, tel +760-329-9791 or +360-472-4334, fax 760-329-1317, email info@twobunchpalms.com. Rooms from \$175 to \$395 a night. Extra treatments from \$55.

The site's reputation as an anonymous retreat stretches back to the 1920s. Local legend has it that the first buildings were built by mobster Al Capone as a place to cool off when things got too hot in Chicago

local green clay to form a peculiarly redolent mixture.

Much wriggling is required to achieve a comfortable depth, but the effort is worth it. Once submerged, my body was supported entirely by the foamy mixture, with only my head resting on an inflatable pillow.

Failure to relax in this position is impossible, though the pleasure may be adulterated somewhat by giggles. Life's just so pleasant when you're suspended in aromatic mud, gazing out through leafy treetops. The mud does all the work, apparently replacing toxins trapped in your skin with revitalising minerals.

"Be sure to rinse all your nooks and crannies," advised the "mud girl", as she led me to a shower, "or you'll be finding mud for weeks." By now, all my inhibitions had been quashed. My

"discovered" in 1907 by the US Army Camel Corps. The site's reputation as an anonymous retreat stretches back to the 1920s. Local legend has it that the first buildings, including a grand suite still available to guests, were built by mobster Al Capone as a place to cool off when things got too hot in Chicago.

More bungalows went up in ensuing decades and the site became a "casual, Bohemian hotel", according to Ramstead. Further development gave Two Bunch a total of 45 scattered rooms and established it as an irresistible getaway for the Hollywood and Palm Springs desert set.

There is little to be seen in the town of Desert Hot Springs itself, which Dana Bass Smith, the spa's general manager, calls "a sleepy little natural hot springs town".



One of a choice of 40 treatments, the mud bath will drive the toxins from your skin while you gaze out through leafy treetops

The look for painting the town

Art parties are becoming the place to be seen, but don't rely on the usual fashion dictates, writes Karen Wheeler

It is no longer enough to know how to look like art – these days you have to know how to look at it, too. The ability to recognise a Mariko Mori installation at 10 kitten-heeled paces has become as crucial as the ability to tell a Mafu cashmere from a Marks and Spencer.

Art, for those who have not noticed, is more fashionable than ever. Last year, Prada and Gucci both became patrons of contemporary art.

Designers Paul Smith, Jil Sander and Rei Kawakubo are avid private collectors. And art parties are the new place to be seen. But first you have to master the art of dressing for the occasion. As even fashion's A-list is discovering, the art world applauds a different aesthetic.

At most fashion gatherings the code is simple: Gucci or Prada or plain black. Wear that at an art gathering and you'll be pegged as boring. Anything that smacks of a fashion uniform is considered as laughable as a poster of Van Gogh's *Sunflowers*. So what to wear?

Hints of the ethnic, hippy chic or anything customised or home-made will do. "At art parties the dress code is very individual and eclectic," says Janice Blackburn, curator of contemporary decorative arts at Sotheby's. "At fashion events it is much more of a uniform, the only difference being whether the colour is black or grey in a given season. Everybody will have the Prada shoe of the moment and the mandatory accessory."

Blackburn looks back fondly at last year's Turner Prize dinner, where Erica Bolton, PR consultant for the Tate Gallery, was wearing "a dress that looked like origami with an incredible sequined net shawl from Etro".

For men the transition is relatively easy. No matter how cutting edge the viewing, a man can wear a suit and cashmere overcoat and everyone will assume he is a collector. Bolder chaps can venture into velvet and bright colours.

To the most recent Christie's contemporary art preview, gardener David Parry wore banana yellow trousers, which he had dyed himself, a strawberry-coloured shirt and a beige jumbo cord jacket. "I can't bear looking gloomy, it's so depressing for everybody

else," he says.

The more esoteric the art on display, the more daring the dress code. But you can never go wrong with recherche Japanese labels such as Issey Miyake, Yohji Yamamoto or Comme des Garçons, nor with bohemian chic from Dries Van Noten or Etro, whose clothes have the added bonus of looking different on everyone who wears them.

Etro's chignon paisley skirts and dresses are almost works of art themselves. Donna Karan's long, creased ball skirt in coral pink silk, worn with flat shoes, and maybe a hand-embroidered cashmere cardigan, also looks suitably creative.

Art party regulars often treat clothes as a backdrop for an unusual or commissioned piece of jewellery: a chunky one-off cocktail ring, a beaded choker from Erickson Beamon, a pretty trinket from Merola.

Decorations for the neck and shoulders seem most popular, as long as they are unusual. The arts crowd was the first to take to pashminas, but now everyone is wearing them it has moved on to more elaborate throws and scarves, found on travels around the world, from Liberty's scarf department or one-off shops such as Egg.

At art views you may see a sprinkling of fur coats (at least among the continental contingent), as well as Prada bags and Gucci shoes. But never the same designs that have featured in Vogue or on the fashion pack. As for Fendi baguette bags: never. "The art crowd would rather carry a real baguette than walk around with the same bag as everyone else," says one observer.

It is perfectly, refreshingly acceptable to carry a crumpled plastic bag from Waitrose, though, as one man in a weathered Barbour did at a recent Christie's preview.

Previews of contemporary art at Christie's, which boasts a guest list of 2,000 of "London's movers and shakers", is a fine place to see and be seen.

Men in pinstripe suits rub elbows with students who have multiple piercings. As Blackburn described the Turner Prize reception: "Stuffed shirts alongside students in T-shirts; women in couture alongside a style that is pure Camden Lock... The two camps are not only accepting of each other but are often locked in intense

conversation."

For private views at the Serpentine Gallery in Hyde Park, the dress code is as eclectic as the guest list. This includes pop star Bryan Ferry, fashion designers Paul Smith and Ally Capellino, and fashion stylist Isabella Blow.

"Of the 4,000 people on our guest list, some dress very glamorously, others are arts students or friends of the artist and dress accordingly, but on the whole the dress code is young and fashionable," says Kathy Stephenson, press officer at the gallery.

The glamour factor is considerably higher at the galleries that specialise in

18th-century art, such as Wildenstein or Colnaghi. "People here are very chic... terribly smart duchesses and dowagers, all elegantly dressed in Chanel – but Chanel from a very long time ago," says fashion and art journalist Robin Dutt. The essential accessory here is a chauffeur-driven car waiting outside.

Dress code aside, fashion cognoscenti may appreciate a few other pointers for sidling seamlessly into the art world.

While talk at fashion gatherings centres around the acquisition of the latest Gucci shoe, at art parties it is all about the latest acquisition to your Warhol

collection, your plans for spending the winter in Nicaragua, or the Picasso sketch you picked up at a car boot sale for 50p (truly).

At art parties there will be no PRs on the door wearing nightclub-bouncer headsets, no mobile phones trilling from the bottom of Prada bags, and usually no problems if you bring an uninvited guest (do that at a fashion party and you will be made to feel as welcome as a dose of dengue fever).

The only drawback at these private views is, often, the vinegary wine and absence of martinis or kirs. But then sometimes you have to suffer for art.



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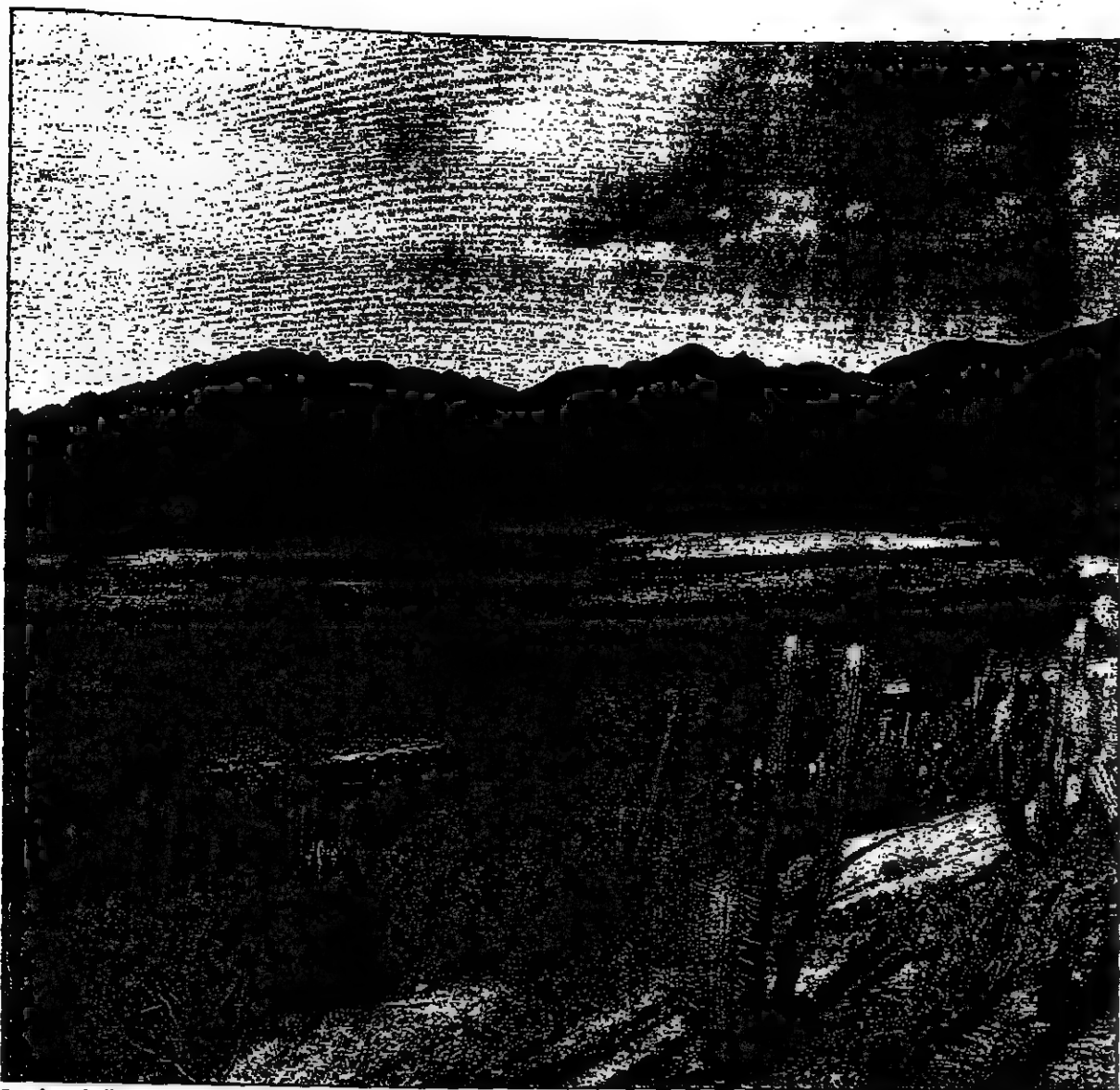


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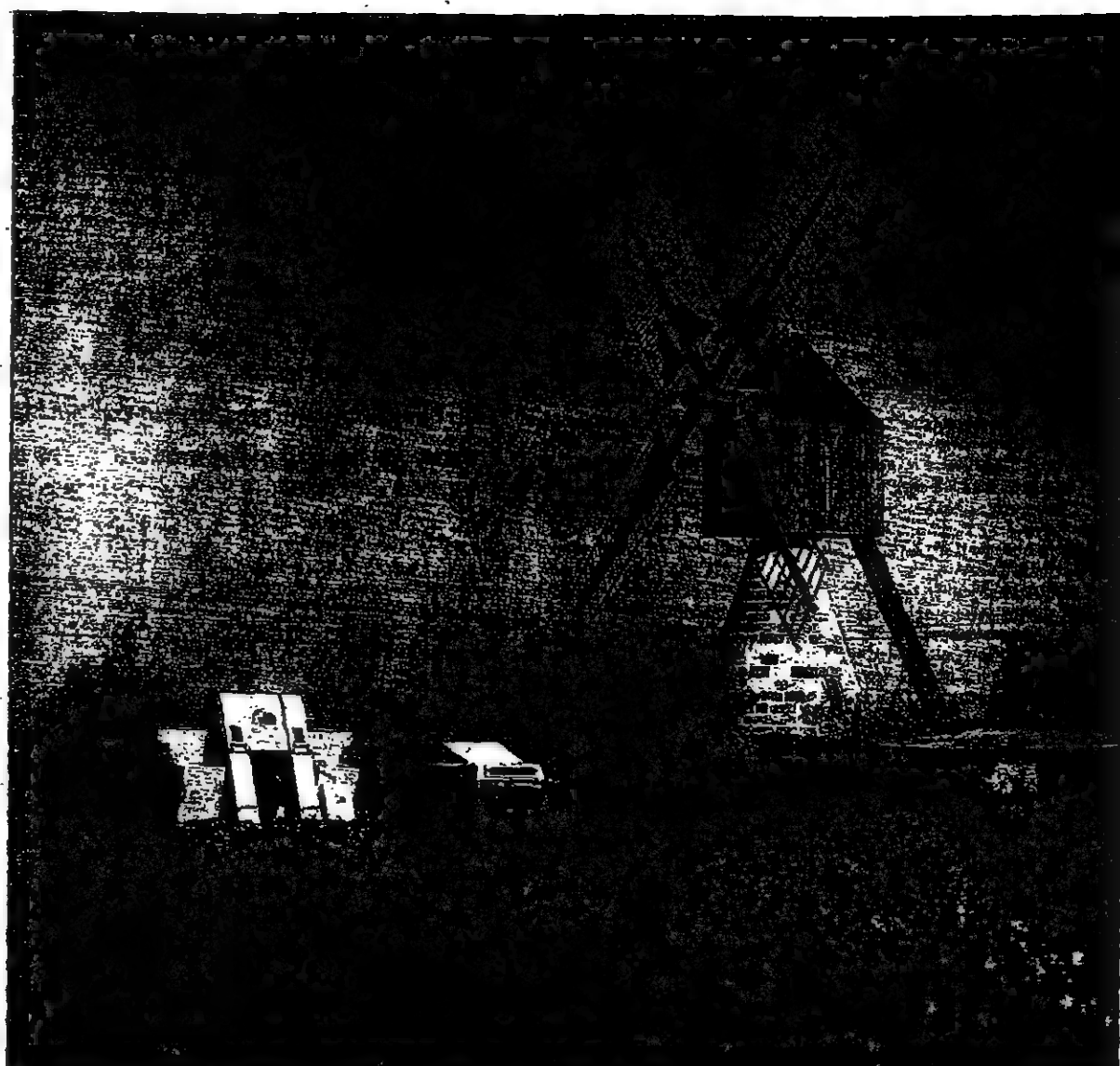
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FOOD AND DRINK



Southern belles: vineyards in the Aconcagua Valley, Chile. But is folie de grandeur hitting the country's wine prices?



Northern chic: harvesting Cabernet Franc for AC Saumur-Champigny on the Loire

The BIG everyday strategy for wine

Wines and vintages come and go. There are times to pounce and times to sit back and let others mop up bottles produced in the less successful years. This week I shall concentrate on everyday wines; next week I suggest a buying strategy for fine wine – in the sense of wine generally bought from lists and saleroom catalogues rather than picked off shelves.

Hit the Loire

The 1997 vintage was if anything even more successful than 1996 for red and sweet white Loire wines. Along with the Langue-doc, the Loire is underpriced relative to other French regions. In both regions, overall standards of winemaking have improved immeasurably so that today's wines are much friendlier in youth, more intense in flavour and altogether more open and welcoming.

Château de Fesles in Anjou had particular success in 1997 with its sweet wines being quite delicious and its uncooked red Anjou Rouge Vieilles Vignes a thumping success. Lebrun's equally sumptuous Anjou-Villages 1997 Domaine des Rochelles is currently on special offer at Tanners of Shrewsbury at £26.50 a dozen.

A much less intense, but truly sappy, appetising Cabernet Franc nonetheless, is the Bourguet La Varenne 1997 currently on offer

at Majestic for £4.49 – the sort of red to drink coolish with fish. (P-J Druet is the master of the Bourguet appellation and his ambitious, cellar-worthy 1997 Les Cent Boissellées cuvée is just £7.95 from Justerini & Brooks of London SW1 and Edinburgh.)

Worth the premium over Majestic's bargain bottle is Fil-Bateau's Saumur Champigny 1997 at £7.35 from Yapp Bros (01747-980423) which offers a far fuller, more satiny texture as well as Cabernet Franc's characteristic refreshment.

Other treasures from this appellation, so beloved of Parisians, are Ch de Hureau's 1997 Saumur-Champigny. The regular cuvée is less than £10 a bottle from Morris & Verdin of London SE1 now and James Nicholson of Ireland in May. After all, why should every red wine be a full-bodied, tannic monster?

Speaking of which, 1997 produced some lovely cru Beaujolais too, such as St Amour 1997 Domaine de Clos du Fief, Michel Tête at £8.58 from Lay & Wheeler of Colchester; and J&B's Morgon Ch de Rocouet 1997 at £8.45.

It is remarkable how much more approachable the 1997 sweet white Loire wines are in their youth than those made in the other great sweet vintages of 1989 and 1990 were initially.

A fine, well-priced example is Coteaux du Layon St Aubin Les Varennes 1997 (£8.99 Oddbins)

from Philippe Cady which is hugely pleasurable to drink now but its hints of almond liqueur suggest it will be even more interesting in five or six years.

Buy South American reds

Folie de grandeur is hitting Chilean wine prices. Santa Rita's top bottling Vina Real is, with the current 1996 vintage, at long last a seriously good wine, with Calif-

excessive sweetness that mars many basic Australian and Californian reds.

Among New World red wine producers, only Argentina across the Andes can offer much serious competition in this price bracket – but the wines are very different. Chilean reds are for those who like the build of French wines and tastes of Bordeaux, while those of Argentina tend to be fuller, spicier, of more interest

buys of our age. Made under the banner of superconsultant Michel Rolland of Pomerol, it offers an almost indecent amount of pleasure for less than £10 a bottle.

Safeway reports that its latest shipment of the delicious 1996 should be available now in 120 of its 450 stores at £9.49. The 1997 will cost at least a pound more when it reaches Safeway shelves, but Fullers will probably charge £9.99 for it when it arrives in its

now while the 1998s are expected to be wonderful wines for cellaring. Meanwhile, Marcel Richaud's Côtes du Rhône 1997 Les Garrigues is about £8.75 from Sandiway Wines (01608-882101) and Hoult's of Huddersfield and Leeds. J&B, Adnams of Southwold and Gauntleys of Nottingham also have a fine selection from this relatively keenly-priced region.

Bargain candidates for the cellar include Madirans from Gascony. La Vignerone offers the lauded Bouscassé and Montus wines of Alain Brumont, and Caves de Pyrène (01453-538820) imports those of Domaine Berthoumieu.

Bargain whites?

South Africa makes very cheap whites but most of them taste it. Italian whites have taken a distinct turn for the fruitier. Oddbins have many a Greek white bargain.

New Zealand's 1998s are full of fruit. And the 1997 southern white burgundies are extremely charming. But this is the moment to take up the world's best and still-underpriced Rieslings, which are on the brink of a return to fashion – honest. (Proof of this is the speed with which the top new Riesling releases are now snapped up in the world's second biggest area of Riesling vines, Australia.)

British retailers have been offering odd parcels of ancient German Riesling at ludicrously low prices, some understandably so and many marked by old-fashioned levels of sulphur. The bright, breezy, Gerhard Schröder way of making Riesling, however, has resulted, as in the Loire, in much fruitier, more exuberant 1997s. These can be enjoyed straight away. The better ones will last for a decade or two.

Mosel 1997s are very fine and Zilliken's are a crystal clear, finely etched triumph from the cool vineyards of the Saar.

Even the loveliest Riesling QbA (25.55 J&B) would make a most impressive aperitif. His Saarbinger Rausch Riesling Kabinett £8.50 is richer and should age beautifully.

Larger Sainsbury's stores should stock the appetising Graacher Himmelreich Riesling Spätlese 1997 von Kesselstatt at £8.49.

One mature, revitalising Mosel is Mulheimer Helenekloster Auslese 1989 bi F Richter which costs £12.50 at Berry Bros – not an obvious bargain until one realises it is 10 years old.

The fact that the '98 vintage of one of Australia's top Rieslings, Mount Langi Ghiran, costs little more than £8 a bottle from stockists such as Andrew Chapman, of Abingdon, shows just how underpriced Germany's increasingly friendly wines have been.

Janis Robinson offers the first of a two-part wine buying strategy. This week she searches the globe for bottles costing £10 or less and finds bargains from areas as far apart as Europe's Loire Valley and the vineyards of Chile



ornia glass – but it costs more than £15 a bottle. Château Mouton-Rothschild's new Chilean baby, Almaviva, is a much more rigorous, French-influenced model which will make Santa Rita look a bargain when it is launched in Europe this summer.

Nevertheless, for sheer red wine dependability (some might say predictability) in the £2.99 to £5.99 bracket, nowhere can match Chile's rich resource of Bordeaux grapes fashioned into appetising wines without the excessive acidity still found in many cheaper South African reds, and the

to fans of Rhône and better Australian reds.

Argentina can offer a much wider range of grape varieties and flavours than Chile, majoring as it does on Malbec but with many a diversion into Tempranillo, Barbera and Syrah as well as other varieties. Oddbins is trying especially hard with Argentina; Norton and Belli are particularly dynamic producers of inexpensive wines.

Not for the first time, however, I would nominate Casa Lapostolle's Cuvée Alexandre Chilean Merlot as one of the great wine

shops next month.

French reds for the cellar

Look to the south of France for reds stuffed with flavour and potential. Fullers and Oddbins chains try hardest to get Langue-doc bargains on to their shelves, and La Vignerone of London SW7 on 0177-589 6113 has a particularly serious current offer of handpicked wines from some of the most ambitious domaines.

The southern Rhône is also on something of a roll, with lots of ripe, juicy 1997s on the market

Think before you order beer with pizza

Giles MacDonogh struggled to find the right British brew to go with a favourite meal

A pizza and a few beers. For many today, that is the definition of a night out. But which pizza and which beer? Is there a perfect combination of traditional ale and pizza? The question was posed at the annual Beauty of Hops Competition at the White Horse pub in Fulham, West London, last month.

Clearly, not all pizzas are the same, but there is a common principle. All mass-market pizzas involve a bread base covered with a tomato reduction and cheese.

Traditionally pizza comes from Naples (where a heady red wine would suggest itself more often than beer). There, cheese means mozzarella, which, laid on top of tomato passata and dusted with dried oregano, makes pizza's most basic expression, the Margherita.

The beer, or whether the bitterness of the beer destroyed the pizza.

The latter was never the case. As alcohol levels rarely exceeded 5 per cent, it was far more likely to be the other way round. The Beauty of Hops Competition was also about promoting traditional British beers, which rely to a greater or lesser effect on the bitter taste of hops to give them distinction.

Of course, hops are not just there to impart a refreshing bitterness. Like certain grape varieties, hops have pronounced and definable fruit characteristics, which lend complexity to beers and ales.

In spite of approving the sentiments behind the tasting, I was less convinced that traditional bitter beers went well with sweet, cheesy pizza.

Most bitters which would have been marvellous on their own, as a few pints in a country pub, were stripped bare by the pizza and ended up tasting intolerably bitter, or simply being knocked sideways.

Those which succeeded

included many of the spiced or fruity flavoured beers. One brewer had actually gone to the trouble of adding dried herbs to his brew, while a number of others had steeped it with either coriander, liquorice, or cloves; or spices which the jury failed to identify. These beers scored well with the pizza, but some doubt was expressed as to whether they would be happy spending an evening drinking the beer. Half a pint and you would move on to something else.

As I say, the competition was there to promote Britain's traditional beers. The trouble was I wondered whether the best pizza beer was actually British? In Naples I have drunk Nastro Azzuro – uncritically, it has

not a bitter at all, but a dark brown porter. It had a powerful, almost cheesy nose with a sourness that had me thinking of blond.

It had plenty of body, and a powerful, slightly lactic flavour which appeared to marry up with the pizza. I don't know if I could have drunk pints of it on a Saturday night, but there was no question for me that it was the best of the 22 beers on offer at the White Horse.

As I say, the competition was there to promote Britain's traditional beers. The trouble was I wondered whether the best pizza beer was actually British? In Naples I have drunk Nastro Azzuro – uncritically, it has

to be said – in the most traditional pizzeria that exists. Wouldn't a *Hefeweizen*, with its apple or pineapple fruitiness be just as good? And if a porter can win outright, what about a pint of Guinness?



Caught on the hop: Allen Fieri tucks in to a pizza with a glass of beer at one of London's Pizza Express restaurants this week

APPETISERS JILL JAMES

Philippe Davenport, the FT's cookery writer, has been elevated to the judging panel for the Glenfiddich awards, which recognise excellence in writing, publishing and broadcasting on food and drink.

And, she says, she had nothing whatsoever to do with the fact that FT Weekend's Nicholas Lander is nominated for best restaurant critic. And I believe her.

This year's awards take on an even more showbizzy atmosphere – they are billed as the food trade's Oscars – as they will be recorded for Channel 4 television.

The winners will be announced on Wednesday May 19 in the central hall of the Natural History Museum, an appropriate enough place you might think, given the surfeit of old bones there. Let's hope they don't end up in the soup.

May 7 to 16 is the week the little Channel Island of Alderney has decided to host its seafood festival. The highlight of a week of hoped-for culinary excellence will be the

Salon Culinare where the island's established chefs as well as aspiring cooks compete for trophies and medals. For more information contact Alderney tourist information on 01481-823757 or visit its website: www.alderney.gov.gg



Chocolate maker and chef Pierre Marcolini shows off his pâtisserie talents during tea-times at the Savoy hotel, London, from April 15 to 24. Afternoon tea at £19.50 will include chocolate scones with *pâté à tartiner* and chocolate cream, five chocolate pastries and either chocolate-flavoured tea, mocha coffee or chocolate. Call 0171-420 2355.

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BONHAMS

FOOD AND DRINK

Meals set the seal on those tense corporate deals

Giles MacDonogh finds out why captains of industry are taking a leaf out of the history books to find the most beguiling soft-sell

Many positive things emerged out of the carnage and squalor of the French Revolution. One in particular was a genial form of statecraft: politicians realised the potential of a good meal.

It was Napoleon's chancellor, Cambacérès, who put it most succinctly when he said: "It is to a large extent by the table that one governs."

His contemporary Talleyrand would almost certainly have agreed: the dining room was a place to exercise power. He employed the greatest chef of his day - Carême - and his dinners were organised so he could do as much business as possible.

When he turned his coat (again) and represented Louis XVIII at the Congress of Vienna, he told his new master he "had more need of saucapans than instructions".

At the end of the 19th century Friedrich von Holstein, the German diplomat, came close to his aim of ruling the world from a private dining room at Borchardt's restaurant in Berlin. In the process he is said to have invented the complex dish which

bears his name. These days it is generally reduced to a banal veal escalope with a fried egg on top.

One wonders whether Peter Lunzer will make a similar claim to immortality. He puts the emphasis on the vinous potential of the table, rather than the food.

A former rugby man and wine merchant, Lunzer organises meals and tastings for corporate clients. In the knowledge that good wine (and it can be the very best) loosens the tongue and puts people at ease, smoothing the path to the desired deal.

Lunzer offers a choice of a dinner with excellent wines determined, of course, by the size of the budget: guided tours of the French vineyards (stopping at the top restaurants and hotels); an evening at a stately home; or wine-tasting competitions

organised to be not so difficult as to risk belittling the client.

I went along to be a fly on the wall at one of Lunzer's little introductory lunches at Mosimann's Club in west London. There he demonstrated his technique to a group of

shut up if necessary. Wines were introduced and debunked in a thoroughly uncondescending way, tips were offered (the does not sell wine, but clearly knows where to buy it), funny stories and jokes told. In between these speechlets, the others at the table

stodgy cake of smoked salmon. Lunzer correctly pointed out how good white burgundy develops in the glass and admitted that the cake had not been the perfect match for the wine.

With a simple piece of Angus fillet we had a 1983 Hermitage La Chapelle from Jaboulet. Lunzer had told the chef to go easy on the peppercorns. The food was a vehicle for the wines and not vice versa. We ended up with chocolate cake and a glass of 10-year-old malmsey.

Long before this time I had sunk into conversation with my neighbour. He was a rugby player turned headhunter. He uses the dinners to entertain the directors of law firms, who come to him when they need to find new staff.

It was a very soft sell, he said: the directors remembered a good evening and called him rather

than his competitors. I asked him why he had not chosen the more conventional idea of sports matches?

He offered several objections: sport tends to polarise guests into two parties and make them aggressive, and certain sports - cricket and rugby - tend to bore the young. He found far less resistance to wine-tastings and, in the rosy glow of the table, people tend to look on their neighbours in a benign light.

To some extent Lunzer is recreating something - the old-fashioned, long drawn-out business lunch or dinner, so decried in the modern business world.

My fellow lunchers admitted that much had been achieved in those claret-coloured meals. After good food and drink, the contract went across the table to be

To some extent Lunzer is recreating something - the old-fashioned, long drawn-out business lunch or dinner, so decried in the modern business world

clients. After we had slaked our thirst with champagne - Lunzer says this is to "equalise palates" - we sat down and the fun began.

He proved to be something between a host and an entertainer, keeping the ball in the air and knowing when to

tucked into food, wine and business.

Lunzer is of the classic after-dinner school. He does not approve of modern wine description with all its fruits, flowers and hamster cages. We had a 1985 Gérard Chavy Puligny-Montrachet with a rather

Plant anything but parsley

Hugo Arnold is fed up with the limited herb varieties in UK supermarkets

I stood in a sea of basil, parsley and coriander, acres of it, and all cosseted under the largest greenhouse I had ever seen. It was a deliciously bright, but hardly warm, early spring day. The Sussex sun was doing its best, however, and I was happy.

Wearing a T-shirt under my regulation white coat made me feel as if it was summer and judging from the state of the basil, it clearly thought so too.

VHB, Van Heyningen Brothers, supplies 85 per cent of pot herbs to Britain's supermarkets. Pot herbs as a market did not exist five years ago. Some bright spark had the idea of planting a few parsley seeds in a cress punnet and within weeks the idea took root.

Unfortunately, supermarkets seem to think that UK customers have a problem moving beyond the Big Three (parsley, coriander and basil) and are reluctant to sell flat-leaf parsley, apparently because it would be difficult for buyers to distinguish between that and coriander.

All of this, in spite of the regular, if predictable, publication of books on the subject of herbs, most of which repeat such gems as Mrs M. Grieves' *A Modern Herbal*, E.S. Rohde's *Garden of Delight*, Culpeper's *Complete Herbal* and my own favourite, Colin Clark's *Of Herbs and Spices*.

Part history, part anecdote, part practical advice and, in the case of the most recent, Sophie Grigson's *Herbs* (BBC Books, £18.99), published with recipes, these books tread the same line and leave you high and dry if you are not a gardener. Where on earth do you go to get hyssop, fenugreek or salad burnet?

This apparent impasse raises something of a problem for Rachael Holder, VHB's sales director, who leads me to her play area.

In a tiny corner of one greenhouse her experiments are in full flow. On the table in front of us is an intriguing collection of plastic bags containing nasturtium shoots, pea shoots, baby sorrel, ruby chard, purple and green basil, red cabbage shoots and

land cress.

We get to work mixing and matching, making up various vinaigrettes using olive oil, sesame seed oil, balsamic vinegar, soy, rice vinegar, a little coconut cream - salads the like of which I have never tasted before.

Nasturtium is fiery hot, a vivid purple colour, with a delicate, almost elegant texture, but mixed with other leaves it adds a curiously powerful note.

Sorrel, so delicious but overpoweringly lemony in its adult state and needing a rich cream or butter sauce to give of its best, here behaves with impeccable restraint. With some crisp frisée lettuce to balance things out I am on my way to a Thai curry of a salad - I dress it with some coco-

Hugo Arnold's pick of the crop

■ Seedlings to look out for: pea shoots, radish, broccoli, fennugreek and fenest.

Leaves and herbs: Thai and cinnamon basil, Japanese calab, Moroccan tea mint, cori, perilles, rose and lemon geranium, land cress, upland cress, cress, parsnips, chard, red amaranth, choy sun, salad burnet.

■ Apart from basil, which is a devil to keep once out, most herbs keep for several days in the fridge packed loosely in plastic bags punched with a few holes. Most restaurants, for example, will have herbs stored in the fridge in this way. Make the holes using a hole-punch for best results.

nut milk, soy and coriander and give up thoughts of lunch.

As a child I used to pick peas in my grandmother's garden in the west of Ireland and eat them there and then in the sunshine. I found myself transported back as I nibbled on pea shoots with their delicate pea flavour and nutty texture. Mixing the pea shoots with ruby chard (mildly bitter and crunchy) and land cress (watercress with attitude), we

had a far more English salad - and dressed it accordingly with a vinaigrette of shallot, mustard, walnut vinegar and olive oil. Lunch was looking increasingly remote.

Holder could, she says, produce all of the above and more. She lists yellow, orange and white chard, red amaranth, choy sun and burnet without pausing to think. Some are from far afield, some have been harvested from English country lanes for centuries to make up palate-cleansing salads which could put the Italians to shame. Why are we left with a choice of so few herbs?

Salads have been with the English since the Romans arrived, so the idea of getting excited about the so-called modern rocket salad looks limp, especially when set alongside the leaves on Holder's list. And she is perplexed by the British taste for cress.

Gliding silently on enormous trays in this vast greenhouse, 30m punnets of cress are harvested every year, 50 per cent of the UK crop. A vast amount goes into salads and sandwiches.

The disconcerting aspect is that 95 per cent of the crop is cole seed, which is similar to oil seed rape, and tastes of absolutely nothing. A mere 5 per cent of the blend is made up of delicately fiery mustard cress. Customers, the supermarkets tell her, want the bland taste.

There is something unsettling about the industrial nature of VHB, all white coats, daylight bulbs, heating and cleanliness, but then I am reminded that greenhouses and heating have been with us for centuries. Not much has changed, other than scale, pest control and, perhaps, the lights; but that is down to consumers demanding year-round supply (basil sales dip by only 30 per cent through the winter).

Pesticides have no place here. Instead, on a weekly basis, the bug-busters sweep in with their containers of wasps, mites, midges and lace wings.

They all eat each other ending up with the wasp, which then



Chives, wild garlic leaves and flowers, and various garlic bulbs: one of the many fine photographs in Sophie Grigson's *Herbs* (BBC, £18.99)

buzzes off leaving the plants clean and pure. So clean and pure, these herbs could be called organic were it not for the pest that they are grown in. But this too is on the way out, to be replaced by the same material they use to sound-proof Jaguar cars - jute.

The operation even has its own power station to generate heat and light and carbon dioxide, essential for the plants (any carbon monoxide is converted to

dioxide through catalytic converters). Excess power is fed into the national grid.

Pot herbs are something of a mixed blessing to me. They are certainly useful for anyone without a garden, or without the time to grow herbs themselves. But for all the convenience, they lack depth of flavour. I want parsley that is robust and almost crispy with a stem as thick as bamboo cane. Basil I want large and

sticky, the aniseed and pepper aroma strong enough to make me sit up and take notice. Asian grocers are often the best sources for such specimens and they also tend to sell decent-sized bunches, enough for a whole dish and not just for decoration, at a sensible price.

Curiously, the leaves Holder is keen for us to eat are all packed with flavour and cover the texture spectrum from crunchy

through to silky. If a salad is supposed to cleanse the palate, a job it does a far sight better than a sorbet, then I want these leaves with attitude. Whether I have a garden or not.

■ Tip: pot herbs are a cost-effective way of getting someone else to germinate seed, particularly useful with parsley, which can sometimes be difficult. Separate and plant on to keep garden-fresh herbs for weeks.

Repeat performance from the next generation

Romance is in the air as chef Ken Hom indulges his taste for the pleasures of Normandy with visits to Bayeux and neighbouring Caen

Once upon a time, a beautiful young Thai woman fell in love with a handsome Frenchman who, as it turned out, was already in love with her. They married, bought a *château* in France, soon had a lovely daughter, and lived happily ever after.

A fairy tale, you say, and that was my first reaction when I heard the story.

Denise Lurton-Moulié and her husband Jean-Pierre Moulié sketched the romance for me one evening as they extolled the virtues of *Château de Sully* and its superb restaurant, near Bayeux, in Normandy.

I listened attentively because Denise is a daughter of the Lurton wine family, and knows how to judge fine food and wine, while Jean-Pierre is chef de cuisine at Chez Panisse, in Berkeley, California. His authority in matters culinary goes without saying.

The fairy tale turns out to be the true story of Inka and

Antoine Brault. Note the ways of the world: Inka's father is Kurt Wachter, legendary manager of the Oriental Hotel in Bangkok. Kurt had met his wife Penny, soon to be Inka's mother, when they were both students at the prestigious Hotel Management School of Lausanne, in Switzerland.

The new generation repeats the performance: Inka and Antoine meet at the same school, fall in love and, in 1983, they embark on an adventure: reviving *Château de Sully* and creating a Michelin-class restaurant.

I use the term "reviving" advisedly. The *Château de Sully* is an 18th-century building surrounded by 15 acres of grounds which include two towers dating from the 16th century.

Most of the construction records were destroyed during the second world war and many stages of the property's evolution cannot be determined. It appears certain, however, that it began as a noble's manor house. The manor expanded in the 19th century and was

grand enough to be named *Château de Sully* after the adjacent village. Today, land and buildings display an aristocratic lineage, combining classical architecture and an exquisite setting.

While a major part of the *château* and the annex *manoir* date from the 18th century, two additional wings were added during the last century and this one. The property was sold and resold many times.

During the war, the *château* was occupied first by the Germans and then by the Allies. After the war, the local community bought it and used it as a children's summer camp. One may imagine how the rigours of wartime and children affected the buildings and grounds.

There are traces of children's paintings still to be seen in the 16th-century chapel. In 1990, an English investor group bought the property, made renovations and created a *château*-newel. However, the new owners could not make a go of it and in 1993 the enterprise failed. Enter Inka and Antoine Brault: they acquired the

property and, with their passion for fine cuisine and commitment to hard work, they have transformed the *château* into a special place, including a one-star Michelin restaurant.

Under the direction of chef Alexandre Boudias, the menu has an enticing variety of

vados. Antoine suggested I try the 1944 Vieux Calvados from Lemorton, with its rich, mellow apple flavour derived from 50 years spent in the barrel. Norman nectar, to my taste.

I learned from Inka and Antoine that their clientele is cosmopolitan. It includes

Ken Hom's recommendations

France is worth a weekend journey and a longer sojourn.

■ *Château de Sully*, Route de Port-en-Bessin, 14400 Bayeux, France. Tel: +33 2 31 22 29 46, fax: +33 2 31 22 04 77.

■ *La Bourde*, 15-17 rue de Vauquassin, 14000 Caen, France. Tel: +33 2 31 93 00 78, fax: +33 2 31 93 00 93.

■ *Le Petit Bistrot*, 15 rue du Mail, 14400 Bayeux, France. Tel: +33 2 31 22 04 44.

■ *Le Petit Bistrot*, 2 rue du Buisson, 14400 Bayeux, France. Tel: +33 2 31 21 05 40.

delicious and light offerings. His work reflects the influence of chefs such as Michel Bras and Michel Guérard, with whom he has worked.

As one would expect, the wine list sustains and enhances the menu. A young staff is well-trained and attentive, professional in every respect. There is a wonderfully relaxed bar with a beguiling selection of Cal-

Americans who come to visit the Normandy D-Day beaches of Omaha and Utah, which are a short drive away. English guests tour the countryside, the Dutch play golf, the Germans enjoy the cultural and historical treasures in the area, and the Belgians focus on the culinary pleasures which abound in Normandy - a pastime, of course, almost all

tourists enjoy.

The town of Bayeux, of tapestry fame, is nearby. Before or after your visit to the tapestry museum, you might drop into Le Petit Bistrot, near the Cathédrale de Notre-Dame.

We did so and enjoyed a simple, satisfying lunch which included a soup of fresh vegetables nicely cooked in a flavourful broth and topped with a drizzle of extra virgin olive oil. We also tried the *sauccisson de morue* with *pommes frites*, a perfectly poached stuffed sausage with warm potatoes.

We shared the *morue fraîche* avec *basille*, fresh cod sautéed on a bed of vibrantly green puree of basil, parsley and spinach. With a bottle of good Sancerre, the total bill came to a reasonable FF162 (£37) for three.

Thus refreshed, we were inspired to return to the tapestry to engage in the Battle of Hastings, or at least to review the plans.

We discovered another place worth visiting, Le Petit Bistrot, where they serve a simple but sustaining lunch at the bar. The owners and chef are Normans and,

as one would expect, are assiduous in their presentation of Normandy specialties, clear in their selection of wines and calvados.

The evening before our departure for home, we visited La Bourde, the Michelin two-starred restaurant in Caen, an easy drive from Bayeux. Michel and Françoise Bruneau, the proprietors, have created a congenial place which pleases the eye and the palate. The glassed-in kitchen is partly exposed, allowing the patrons to observe some of the magic transforming fresh ingredients into savoury dishes. The dining area has a relaxing warmth and the beamed ceiling gives the room a feeling of substantial comfort.

The service is expert and quietly efficient. For our first course we savoured small crisp sandwiches of anchovies with a light tomato sauce. These were followed by *carpaccio de St Jacques et de thon en chaud*, *froid de citrou*, paper-thin slices of the freshest tuna and scallops placed fan-like on one's plate, to be enhanced by the bite of a

refreshing lemon sauce. A truly delicious treat.

We also sampled the *soupe de mer de St Jacques et aux asperges*: a perfect soup, velvety, redolent of the best fruits of the sea with earthy asparagus. A deceptively simple but delicate dish of smoked salmon paired with scallops thrilled our palates.

Thus inspired, we ordered an unusual combination of tender veal with a stuffing of fresh clams and squid: it was splendid. With hardly a stop, we then sampled a beautiful piece of fresh tuna surrounded by savoury mushrooms - the tuna, however, was too well done for my taste and I recommend that it be cooked *bleu* or rare.

Finally, our party shared the *dos de chevreuil au lait et caramel d'épices*: venison has never been so tender nor so subtly enhanced by such exotic spices. This dish charmed my palate. For the hardest among our party, the regional cheeseboard provided a memorable coda to our repeat: a selection, all perfectly ripe, proclaiming Normandy's remarkable contribution to fine food.

Centuries of history resonate in Normandy and, with Norman hospitality, make the region charming.

■ Ken Hom is the author of the new *Easy Family Dishes* (BBC Books, £17.99).

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OUTDOORS / MOTORS

The next weekend or two will give you the opportunity to climb back aboard the annual bandwagon, says Robin Lane Fox

The slightest Easter acquaintance with a flower-bed has reminded us that nature is ahead of her game. We are enjoying early flowers on viburnums and even on a few bluebells, but what is good for the flowers is even better for weeds. Anything that seeds itself is weeks ahead of the calendar. Early primroses mean early dandelions and the need for immediate action to control their potential seeds.

What can be controlled can also be redirected. If the weeds are about to do it, so can you, and the next weekend or two is exactly the time to be turning to those old favourites, the hardy annuals that were my first route into gardening and will probably see me out of it in some spring in the distant future. If you think you are not much good at the art of sowing seeds, hardy annuals are your answer. The easy ones impress those who look on with misplaced amazement at anyone who grows anything from scratch for himself.

Hardy annuals can go anywhere, high, low or into a prominent flowerpot. For height, my new favourites are the rich and modified forms of sunflower, easily available from Thompson & Morgan, of Poplar Lane, Ipswich, Suffolk IP8 3BU. Like all hardy annuals, they can be sown directly into patches of soil that you have broken up and raked into a fine consistency. They will show above ground after about three weeks and will grow on strongly in almost any sunny place to a height of 4ft or 5ft.

This height is significant for an annual nowadays and makes them invaluable as filling in a newly planted border or anywhere that has developed a sudden gap. Italian White and Velvet Queen are two exceptionally pretty varieties in cream-white and deep mahogany. The old type of sunflower used to be too tall for most mixed borders, but the shorter and richer varieties are an absolute godsend. Anyone can grow them with ease.

Next month, we will all be tempted to pay huge sums for rarefied plants for tubs and containers, but hardy annuals can be just as impressive if confined in a pot and given special treatment on the front terrace. Last year, I saw a splendid array of the rough-leaved annual Anchusa Blue Angel, packed into large pots where it was regularly dead-headed and kept going in full blue splendour from early July onwards.

We are so used to half-hardy rarities in our subtly designed



Helianthus Italian White: an exceptionally pretty cream white sunflower, which will grow to a height of 4ft or 5ft

GARDENING

Hardy seeds of content

plantings in pots that common old annuals can take the eye by surprise. This Anchusa can be sown now into any pot outdoors and thinned to a few plants for a cheap and easy effect. I mistook it for something highly exotic and started hunting for a scrap of paper on which to find and record its name.

The smaller annuals are invaluable when worn among the gaps in plantings on raised beds or in the foreground of wide borders. In half-shade, my constant favourite is the sky-blue Nemophila insignis which grows so very easily and is a strikingly clear colour for several weeks in summer. In sunshine its natural, intensely deep-blue, low-growing forms of Phacelia which usually work well in a dry year. They are

two of the less familiar annuals I discovered early on and they are still as good as ever for anyone who wants to be adventurous without risking a failure.

If neither is available on the seed rack, try the equally easy blue forms of Anagallis, also marketed as Blue Pimpernel. It opens its flowers in sunny weather and makes spreading plants of an excellent deep blue which continue flowering easily into the autumn. It seems to like a rather poor soil and never lets me down.

The old and tested Love in a Mist is another winner that gets lost in the modern race to buy bedding plants as advanced greenery. The trade leaves it alone and unless you grow your own from seed, you miss out altogether. The best form is still the clear blue Nigella Miss Jekyll

which also flourishes in slight shade. I am so fond of the slender leaves and the pretty seed heads that follow the familiar flowers. Like everything else this week, it can be sown outdoors without undue fuss or preparation.

Annual poppies are another infallible rescue, excellent on poor soil. Last year, I strayed into the one called Danish Flag which has a white cross on the centre of its blood-red flowers, but the general view was it was let down by the very edges to its flowers which are altogether too fancy. This year, I will go back to the simpler mixtures and to my old friend, the Flanders Poppy or Papaver commutatum which has a distinctive black spot on its deep scarlet petals and is one of the smallest in height. Wherever bare earth is showing it is worth

scattering these poppies around and allowing them to germinate at random.

Lastly, highbrow gardeners seem to be going back to the old Calendula or Pot Marigold: hotter colours and shades of orange are back in fashion and these easy hardy annuals are a joy throughout the year, especially against a green background. The only problem is to find the old undiluted forms as the breeders have gone overboard for doubles and bi-coloured varieties. The simple old orange shocker is still the best and, now that our eyes have been won away from nothing but white and pale pink, proven orange and yellow mainstays are all the rage again. The next fortnight is your chance to return to one of the oldest bandwagons in the annual garden.

It's a rotten choice to make

Sam Holland stresses the importance of a garden's 'business area' with a look at methods of disposal

"Just me," the woman snorted when asked how many and what manner of persons should be consulted in redesigning her small garden.

"And my daughter. Him I disposed of a long time ago," She gazed out of the window.

The tone suggested "he", whoever he was, might still be close at hand. I followed her gaze, half expecting a spectral hand to arise from the compost heap, and an agonised cry of: "I'm over here. Please be careful where you dig."

Was I dealing with a pragmatic gardener who had taken the logistics of being a garden-owner to extremes? Fortunately, it was more a case of my over-active imagination.

But the encounter did highlight the importance of keeping an eye on a garden's "business area", even when a paradise of trees, plants and shrubs is the central thesis.

Every garden needs its "power house", accessible but appropriately screened, to accommodate politically correct compost or an equally un-PC bonfire.

John Seymour, the guru of self-sufficiency, maintained that the best compost is made in 12 hours by putting vegetable matter through the guts of an animal.

Few of us keep chickens now, and even fewer a pig or a house cow, so we must perforce build a dedicated container, or purchase a proprietary one.

Familiarity with compost areas has over the years bred in me a decided contempt for any construction containing corrugated tin, chicken wire and angle iron.

The first two tend to collapse under the weight, and any physical contact with the distressed and rusting tops of metal corner posts prompts an immediate check that your tetanus jab is up to date.

Better by far is a twin-compartment treated-timber bin with slatted sides, and rows of bricks on the ground with gaps between them to aid the necessary circulation of air. You might also consider leaving a few posts in the heap as you build it, which you later pull out to leave "chimneys".

When one compartment is full, turn it "sides-to-middle", by putting the side panels into the centre to create another compartment, and start over.

Nitrogen is essential for speedy decomposition, so add fishmeal or bonemeal, blood or inorganic nitrogen. Urea also has a high nitrogen content. Gentlemen diners may therefore be encouraged to visit your compost heap post-prandially.

It is possible, however, to lose sight of the main objective. One friend has a collection of composting paraphernalia second only in size and scope to that demonstrated by the Centre for Alternative Technology in Machynlleth.

He also sports a large, flat greenish area of daisies, buttercups, dandelions and plantains which he myopically refers to as "my lawn".

When, in a belated nod to the green lobby, I first bought what is known as a garden shredder (a term more appropriately applied to a certain class of ancient countryman who charges cash and mugs of tea for his ignorance about anything except

The best compost is made in 12 hours by putting vegetable matter through an animal's guts, but few of us keep chickens now

show-bench looks), I marvelled at its ability to reduce the privet hedge trimmings to mulch or compostable waste.

Down on the allotments - site also of the communal bonfire, hitherto the privet's last resting place - I was roundly disabused of my proclaimed ecological credentials by a fellow toiler who wanted to know how many kilowatts of power my shredder consumed, and did I know that the local council now had a noise pollution official?

Sobriety and humiliation at a stroke.

One incidental benefit when emptying the compost bin in spring is the treasure hunt for sprouted avocado pits thrown out with the kitchen waste during the previous season. This is so much easier than piercing with matchsticks and mounding over a jar jar to which one has forgotten to add a piece of charcoal to keep the water sweet. These are potted up as house plants.

And not a spectral hand in sight.

MOTORING

Focus blurs the definition of prestige

Forget name-dropping prejudices and embrace Ford's award-winning car, says Michael Harvey

Britain has a unique relationship with BMW cars. Ignore - if you can - the possible outcome and unimaginable consequences of the Bavarians calling this government's bluff over Longbridge and think about the BMWs themselves.

Their pull among British customers is quite extraordinary. From engineering-literate enthusiasts able to understand the why of low-mass aluminium suspension to the couldn't-care-less who are interested more in the colour charts at the back of the brochures, BMWs can excite Britons like no other vehicle.

Laudable as it is that the British show such objectivity, it remains impossible to imagine any other nation's car testers happy to give the nod to a foreign vehicle over anything as desirable, not to mention as nationally important, as the Jaguar S-Type. But that's what the hard-core peddlars at Autocar magazine did: the BMW 528i remaining the magazine's "Best Car in the world".

And it's impossible to imagine any other country publishing recruitment ads where the package is described in such specifics: "Regional sales manager. £25,000 plus BMW." It's true. You can see similar items in this paper and others every week.

It's not just that a car has become shorthand for a certain level of success. Plenty of countries, Italy for example, have a somewhat less passionate relationship with Mercedes-Benz. What's staggering about BMW is the UK is that one car has become so iconic and remained so even now when most under-30s, the generation that would

not now be seen dead in a pair of Levis, aspire to anything but a Beamer.

Not that BMW cares. In real terms the cost of entry into the club goes up every year, yet every year brings a new UK sales record. To a huge swathe of middle England the ownership of a 316 indicates arrival. This was always the plan. BMW patience and consistency with its communications is unmatched.

Take a look at the inside covers of the Sunday magazines 20 years ago and you would see the same cocktail of knowing understatement and coy aloofness and always served in the same straight glass. The British have been intoxicated by it ever since and show no signs of sobering up.

Then again, maybe it's because Britons are congenitally disposed to BMWs. They are, after all, the worst car snobs in Europe. They

The Focus is, in all but name, a replacement for the Escort, which means it will be a car for the indians and not for the chiefs. Well, more fool the chiefs

don't have much of a choice these days, but even if they did, I suspect a Rover would never be the automatic choice to them in the way a Fiat is to an Italian or a Renault to a Frenchman; next door's BMW would always be pale metallic greener. This is manna to the marketers at Bee-Em. It must be murder for the rest.

This occurred to me as the real significance of the Ford Focus is



A £14,000 Focus may never become an icon of success but it offers perhaps 90 per cent of everything a £19,000 BMW does

downed on me. In case it has passed you by, the Focus (the current Car of the Year, according to a poll of European motorist correspondents) is an apparently ordinary family car that is in fact anything but that.

A £14,000 Focus offers perhaps 90 per cent of everything a £19,000 BMW does yet will never become an icon of success. Quite the reverse. The Focus is, in all but name, a replacement for the Escort, which means it will be a car for the indians and not for the chiefs. Well, more fool the chiefs.

If ever a vehicle asked us to examine the insecurities behind our choice of vehicle the Focus is

It is, very obviously, a vehicle engineered and designed by 40-something European enthusiasts. BMW enthusiasts. Over the years, the oddly Protestant gait perfected by expensive German cars has come to redefine affluence, the sporting saloon replacing the luxury saloon as indulgent transport for all but a minority of retired American golf enthusiasts.

A certain firmness of ride, like a hard bed, is now regarded as a good thing. German cars were the first to show that firm need not mean uncomfortable. Steering, too, we have come to appreciate, feels better when it asks a little of us. And brakes. But it doesn't stop there.

Back in the 1970s German designers made legitimate the church pew as car seat. We are now rightly suspicious of any cushion that gives more than a squeak. Good car interiors now combine no more than two

shades of the same colour, unambitious architecture and subliminal graphics. All very 1990s in fact. Except BMWs were like that in the 1970s.

Sit inside a Ford Focus and, with the exception of its slightly naff centre console, you could almost be sitting in something still on the drawing board at BMW or Benz. It's the same story on the road: ride, handling, steering, brakes are all straight out of a book painstakingly translated from the original German.

The sense of value that permeates every aspect of the Ford Focus, then, is achieved less by good taste and good engineering and more through its ability to synthesise this very modern, very German, very BMW definition of austere luxury.

There are quality issues. Some of the switches look as if they had been pushed in at the last minute as the vehicle passed down the production line away from an increasingly frantic

assembly worker.

Ditto the selection mechanism in the gearbox. I personally also have doubts about Ford durability. The Ka I own, another Ford vehicle with qualities way above its station, feels a little older than it might after less than 10,000 miles.

Neither of these quibbles worries me enough to stop me pleading that everybody should try a Focus before taking the plunge with a more expensive, more predictable choice of "luxury" car.

The Focus, like the new Golf and new Astra, is blurring the lines between ordinary and prestige as never before and will continue to do so until the likes of BMW finds itself with a significantly lower cost base.

Not considering a Ford, particularly a Focus, is as anachronistic as not watching commercial television - a ludicrous self-denial based on an erroneous sense of superiority. So try it. All you have to lose are your prejudices.

DEALS ON WHEELS

Really not for softies

Hope may spring eternal but when it comes to a Land Rover it is not (yet) or coil springs that help keep it eternal. The car springs are from an old, tough generation, coil from a newer, softer one. The rotating magazines are even saying the new Land Rover has an engine that can only just be tamed.

Surely this beast cannot be related to the animal that taught its way across continents, rattling teeth things and stunning the senses?

The original Land Rover was based on the second world war Jeep and was a stranger to anything such as plastic that would detract from the toughness needed when going off-road. The springs were as hard as iron; the engine was low on power but would haul you anywhere.

Its gearbox, of course, had no synchronisers, which made changing gear something of an art. This alone is enough to divert many today from the rugged pleasures of the Series 11A.

Schnee, except in with the Series 111 which had a classic shift and an all-synchronised gearbox. It also had a habit of falling out of gear. By this time, too, competition had arrived in the shape of the Toyota Land Cruiser and Land Rover was losing traditional markets in the developing world.

Change had to take place. The new 110 and 90 in 1985 belatedly adopted the coil spring axles of the Range Rover, but there was no money to invest in a wider body. While competition grew, Land Rover retained the cramped quarters of a previous era. New regulations blunted its rugged edges and cheap breakable plastic abounded in the cabin.

Engines adequate in the car-sprung cars were found wanting in the new model because it could be driven much faster. Replacements were better but investment was still lacking. And the increased performance came at a price - the suspension bushes were out when the vehicle was driven continuously on rough roads.

A Land Rover has always been built like a child's construction kit. It is easy to replace parts and some venerable vehicles must still ply their trade. They're not what you would call a classic car, but they are preserved for their simple charm and sturdy abilities.

Anthony Cazalet

PROPERTY



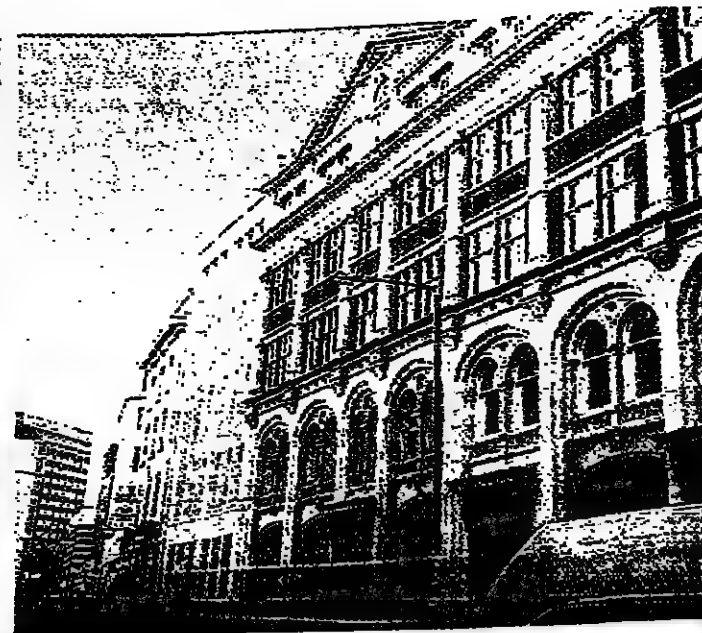
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PROPERTY

A high-rise, low-crime community

Anne Spackman examines the success of the Barbican – and its lessons for today's planners

When Prince Charles made his Vision of Britain speech 10 years ago, his plea was for urban villages on a human scale, places where people could live and work safely and feel part of a local community. The last place he would have had in mind was the Barbican.

Its massive bulk and unrelenting concrete facade, soaring above the City of London, epitomised the kind of development Prince Charles and many others wished never to see repeated. It had the highest residential tower blocks in Europe.

And yet it has worked. All of the Prince's criteria for an urban village have been met, except his architectural ones.

Vandalism and crime are almost non-existent in the whole of 1998 there were just five cases of damage to cars or car break-ins. There are thriving neighbourhood services, including a playground, a clinic and a number of residents' clubs.

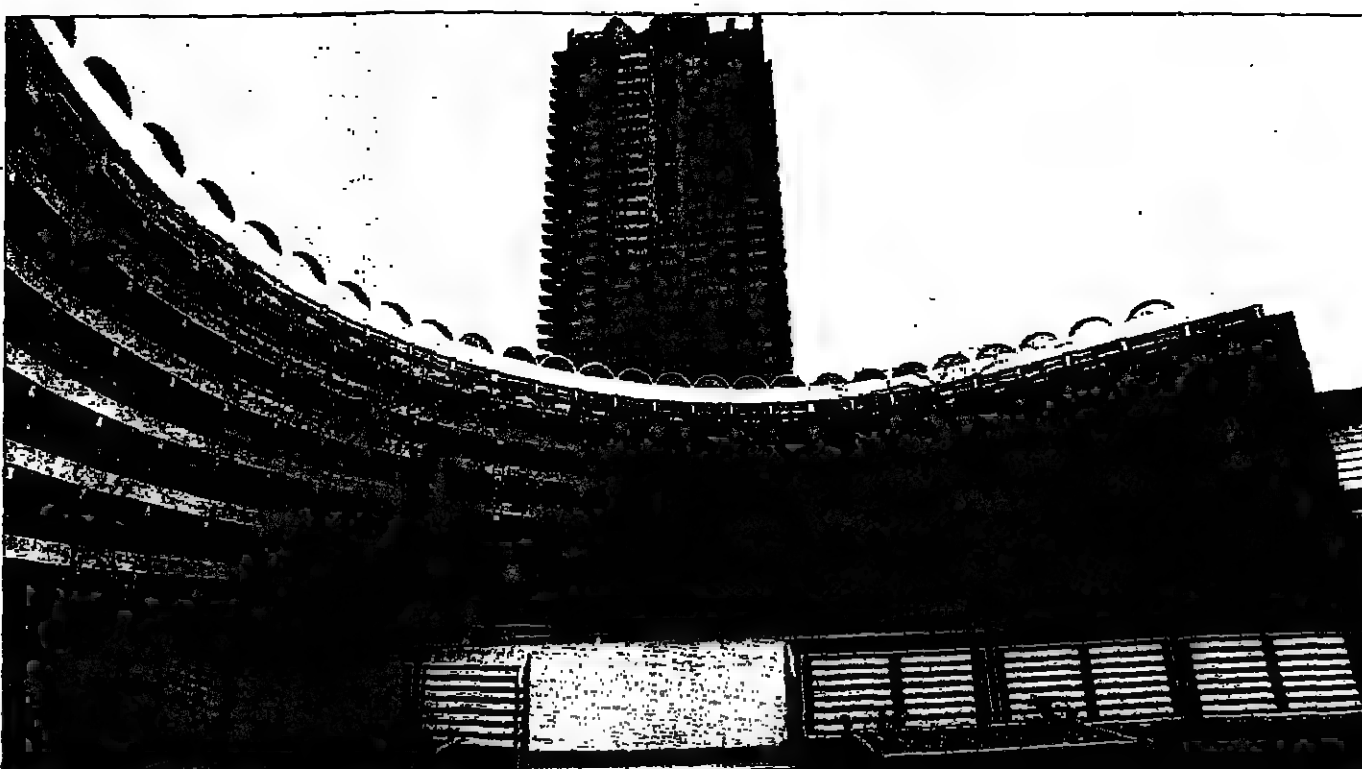
Many of those who originally

saw it as a temporary home have stayed on and moved within the development instead. "It certainly grows on you," says Lord Donaldson, former Master of the Rolls, who is now living in his second Barbican flat.

This year the Barbican Estate celebrates its 30th anniversary. It has picked 1969, although it could have chosen as its starting date almost any time between 1969 and 1973, when the majority of the 2,014 flats were built.

The political vision of the 1960s, which created the estate, mirrors the current Urban Villages campaign to encourage new family houses on brownfield sites. It was to provide "a village in the city", specifically aimed at bringing back "middle and high income earners".

Although the flats were originally built to be let by the Corporation of London, the rents were never subsidised. Owning a second home and proving a good income were positive advantages for those seeking to be tenants –



'It certainly grows on you': the Barbican, London's village in the sky

a reversal of normal public rented housing policy.

As a result, the Barbican has been home – or at least second home – for three decades to a series of politicians, lawyers and people working in the Square Mile. "It's the best old people's home in the country," according to Victor Giles, long-term resident and former assistant editor of the Daily Express.

Lord Donaldson, whose wife Mary is a former Lord Mayor of London, started off in Shakespeare Tower, probably the estate's smartest block. "As a base for work, it is wholly admi-

nable if you are concerned with the City or the courts. And there is a community life," Lord Donaldson says.

"I think the place, viewed objectively, is horribly ugly, but if you are on the inside, looking out, it is a different matter."

The Donaldsons were the first people to glaze the balconies of their tower block apartment. When the Corporation of London, which manages the estate, objected strongly, Lord Donaldson fought his case through the courts. Not surprisingly, he won.

Such is the calibre of residents that disputes over the manage-

ment of the estate are pretty high-powered. With more than 86 per cent of the properties now owned and increasing numbers used as first homes, there is a push for more resident control.

One reason is the level of service charges. Barbican flats are generally cheaper than flats in new blocks created from offices in the area. According to agents Stirling Ackroyd, one-bedroom flats range from £180-£240 a sq ft, compared with an average of £250-£350 in newer blocks. A two-bedroom flat that might cost £215,000 in Clerkenwell would be about £175,000 in the Barbican.

Service charges, however, tend to be far higher. This is partly because of the staffing levels, which mean at least 12 people are on duty at any time, day or night. It is also a question of age: much of the engineering plant in the estate is being replaced on a five-year maintenance programme.

The service charges are actually very similar to those in a mansion block or stucco terrace in London's West End. But they are being compared by potential buyers with those in neighbouring residential conversions which are usually only half as high.

Stirling Ackroyd is currently selling a top-floor flat in Thomas More House, one of the low-rise blocks with the distinctive barrel-vaulted roofs. The asking price is £149,950 for a one-bedroom property which needs doing up; the service charge is just over £5,000.

"Unquestionably, that puts buyers off," says Nick Luddington of Stirling Ackroyd. Last month he made a presentation to Barbican residents in which he suggested that completion of the maintenance programme would raise values by 10-15 per cent, citing a number of other schemes across the capital as evidence.

Sue Benjamin, managing director of the Barbican Estate, points out that the routine service charges, discounting the major repairs, have fallen by 25 per cent over the past four years. Half those charges are accounted for by staff costs – and it is the level of staff, she argues, which keeps crime levels so spectacularly low.

That is undoubtedly one of the Barbican's main selling points. Agent Hurford Salvi Carr has sold 15 flats on the estate in the past few weeks. Half went to buyers specifically looking for the combination of high security, central location and good portage and half went to those persuaded to give it a look.

"I love converting people to the Barbican," says Adrian Bagnall of Hurford Salvi Carr. "They expect to see 15 acres of concrete, but there is a lot of water and garden there, too."

He says values may not have risen as spectacularly as they have in neighbouring newer developments, but nor did they wobble as badly at the end of last year. "It's a case of the hare and the tortoise," he says, "and the Barbican is the tortoise."

Prices for some London properties have risen by as much as 35 per cent since the start of the year, as the capital witnesses a spectacular turnaround in the market.

In the country as a whole there has been a similar, though less dramatic, shift, according to the latest survey by the Royal Institution of Chartered Surveyors.

The cause is long-term low interest rates. Cheap money, guaranteed for up to 10 years, has brought first-time buyers and novice investors flooding in to the London market. The latest report from London Residential Research predicts it will rescue the London development market from a 1990s-type slump.

Last year LRR, headed by Geoff Marsh, set out two possible alter-

ON THE MOVE ANNE SPACKMAN

Cheap money sends London market spiralling

natives for London property in 1999: one was "the golden scenario", the other was "bust by the millennium". Having favoured the pessimistic outcome in the autumn, his team now subscribes "almost without reservation" to the golden scenario.

The market is most active at the lower end. Clerkenwell, the trendy loft district widely tipped to suffer in 1998, is instead one of the hottest spots in town. Bermondsey is similarly buoyant.

David Salvi of local agents Hurford Salvi Carr says prices of

flats up to £400,000 have not only regained last year's losses, but are up at least 10 per cent on last year's peak. In some cases prices of new flats have risen 25 per cent since January.

"The first three months of this year have far outstripped last year," says David Salvi. "The number of second-hand sales are up by more than 50 per cent and new developments by even more." Such figures should mean Salvi is laughing. Instead he is worried.

One reason for the high num-

ber of sales is the huge influx of individual investors from Ireland. Hamptons reports a similar trend. Both agencies say they are now as big a force in the London market as south-east Asian investors were two years ago.

The impact of investors on the central London market is underlined in the LRR report. It calculates that in boroughs such as Lambeth, Westminster and Kensington and Chelsea at least 60 per cent of purchasers of new properties in 1998 were investors. "These numbers are most cer-

tainly an underestimate," the report adds.

Salvi fears that too many investors may force prices up to unrealistic levels. If the London economy is then hit by job losses, the roller-coaster could start heading down again. "Other parts of the country may need to see interest rates fall further, but we certainly don't in London," he says.

The surge in activity at the bottom of the London market is starting to filter up. Leslie Marsh estate agents in Notting Hill say prices have regained the 5-10 per

cent losses of last autumn and put on another 5 per cent as well.

"More people are prepared to part with their money at the moment, mainly because of the mortgage deals available," says Mark Chick. "We have had the best first quarter ever."

In the family house market there is a new sense of optimism, as properties which had languished on the market are being snapped up. Chick says four houses in Northumberland Place, London W2 – including former cabinet minister Peter Mandel-

son's home – have gone under offer in a month.

A similar picture comes from Douglas and Gordon, which has seen an increase in buying across its patch stretching from Kensington to Wandsworth. Ivor Dickinson of Douglas and Gordon is one of many agents to warn potential investors that yesterday's tenants are now desperate to become owners and that supplies could run short.

While the RICS survey shows the market strengthening in south-east England and East Anglia, reports from farther north are patchy. Some agents still say buyers are cautious and worried about their jobs; others say they have too few houses for the growing numbers of buyers on their books.

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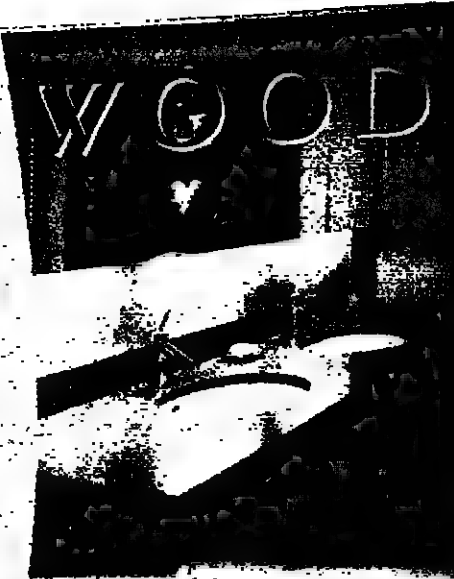
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مكتبة الامم

Michael Carlson sets off in pursuit of the New York that was the driving force behind the men who changed the face of modern art

The trail of Jackson Pollock starts downtown in Greenwich Village. Washington Square Park is the heart of the Village; there Willem De Kooning and Rothko actually met by accident, two immigrant

Jack Kerouac, the novelist, and Kline used to drink together there. Fielding Dawson still does.

**'If Jackson Pollock tore
just did, and it was not a**

(39 East 8th Street) the 9th Street Gallery (60 East 8th) where Kline helped organize a show to reply to the Metropolitan Museum's 1960 show, "American Painting Today," which had ignored them. That protest was documented by Nina Leen's famous Life Magazine photo of "the Inscrutinables" a veritable class portrait of the New

Pollock's 'Stenographic Figure' of 1942, oil on linen, is on display at the Tate Gallery, London, until early June.

York School, including a serious Mark Rothko looking much like Groucho Marx.

De Kooning had a studio at 85 4th Avenue, where he projected drawings on the wall with a Bell & Howell Opticon enlarger; this

just like uptown now." What he would make of the West Village today, or the artists' lofts in SoHo (SOuth of HOuston street) surrounded by posh shops, expensive restaurants, and just one roof short of being a mall.

many of these artists, Kline's first one-man show was at the Charles Egan Gallery at 63 West 57th. The Janis, now at 110 West 57th is the only one that still exists.

Fifty-seventh Street is also the home of the Art Students League, where both Rothko and Pollock studied. The building was designed by Henry Hardenbergh, who also designed the Dakota Building and the Plaza Hotel, and is a classic of French Renaissance style, with its triple arches on the first floor.

Nothing could contrast more with the Mies van der Rohe-designed Seagram Building (375 Park Avenue between 82nd and 83rd). Thirty Rothko murals were commissioned by the Seagram's Four Seasons restaurant, designed by Philip

Rothko returned the commission, saying the rich customers would "never look at a painting of mine." You

you won't find many Pollocks or Rothkos or Klines in 57th Street galleries today. For that, you'll have to visit the Museum of Modern Art (11 West 53rd) or the Whitney (Madison Avenue at 75th Street) on the Upper East Side.

When Rothko became rich, he moved to that neighbourhood, living on 98th Street and working on 99th, where he killed himself. He had come a long way from his early days, commuting in from Queens. Rothko's "Subway Station" (1935) shows the platform at Nostrand Avenue (on the 2, 3, 4 and 5 lines); in the blocks of colour

present in this representational work can be seen the origins of Rothko's later style.

Pollock, of course, worked in East Hampton, further out on Long Island from Queens, and died in a car crash near there.

East Hampton is easily reachable from Manhattan via Jitney bus, which will put you close to Pollock's studio on the Accabonac Creek (information, schedule and pick-up locations toll-free on 1-800-836-0440).

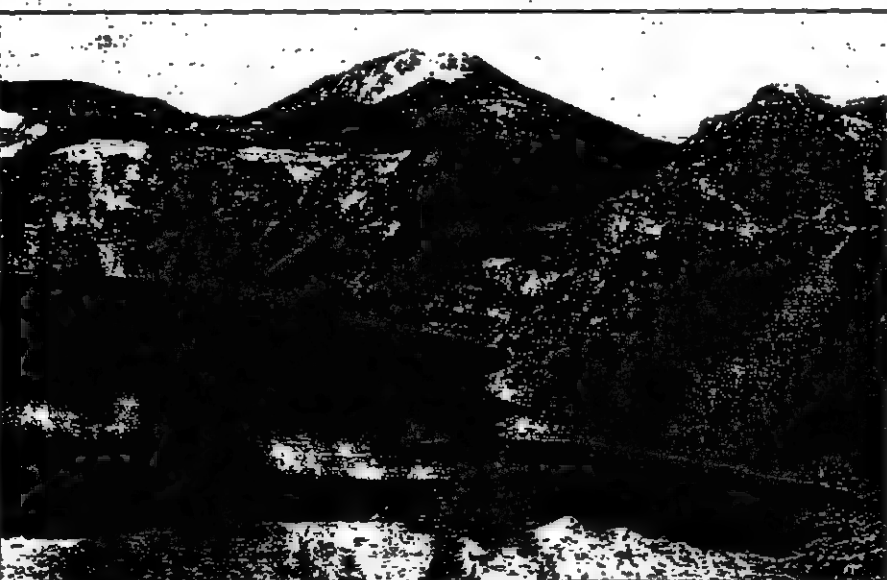
Of course the artistic traces of the New York School live on, and the painting that revolutionised the art world is taken for granted today.

The New York city that inspired those painters lives on as well and, more still, repays the visitor's curiosity.

John Münch travels the open, unhindered wagon train route in Oregon, taking in the ups and downs of eco-friendly, get-up-and-go territory

Before making our way up the trail, we had stopped at an igloo-shaped observation post overlooking Wizard Island, a forested outcrop

Slip behind the driver's wheel, switch on the radio, and wherever you are in the state you'll be assailed by an array of lachrymose country and western singers.



Breathtaking: at 1,900ft, Crater Lake is the deepest in the US

Our starting point was the university town of Eugene, a place where New Agers still surround the Sundance supermarket cradling fair-haired, bare-bottomed

First stop on the road east was Crescent on Route 97, one of a series of one-horse, two-motel towns. On our first night on the road, an

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Walking in temperatures of around 100°F on a smooth tarred path was tough enough. Seeing the rocky undulations and vigorous sagebrush off the path and a lone covered wagon at the point where the trail passed by we knew we had only sensed a tiny fraction of what the pioneers endured.

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TRAVEL

GRAND HOTEL

A key to the smoke and thunder of Africa

An old padlock found in a Dorset bric-a-brac shop led Christian Tyler to one of the most dramatic sights in the world

My wife bought me, one Valentine's Day, a heavy old padlock which I had admired in a bric-a-brac shop in Dorset. Attached to the key was a faded yellow luggage label which read: "Victoria Falls Hotel, Rhodesian Railways Ltd". Underneath was a handwritten message: "Before using be sure to make duplicates."

The padlock lay on my desk, its label sounding a faint note of anxiety from another age and another world - until last autumn, when, like a magic amulet, it transported me to its old home.

After a long, hot drive south and west from Lusaka, I reached the decayed town of Livingstone, crossed the Zambezi river and the Zambian border, and found myself standing on the broad terrace of the Victoria Falls Hotel.

Beyond the flagpole could be seen the bridge over the gorge. Cecil Rhodes wanted it built close enough to the falls to drench the passengers riding the great railway he hoped to run from Cape Town to Cairo. That project was foiled, but special excursion trains still arrive at the station, directly opposite the hotel, where a platform sign proudly declares: "Cape Town 2,651km, Beira 1,434km, Bulawayo 451km".

Away to the left, a plume of what looked like smoke from a bush fire and a hum that

sounded like distant traffic betrayed the presence of the falls themselves, a mile-wide precipice over which the Zambezi river plummets in a roaring, ragged curtain of water.

This was the dry season, when the flood is much reduced and the view much better. We were in the "suicide weeks" of late October before the rains, when the temperature just keeps climbing. On a local golf course competitors in a national Zimbabwean tournament were driving off the tee in 48°C (120°F) heat.

Opened in 1904, rebuilt in 1915, extended again in 1936 and 1997, the Victoria Falls Hotel has managed to maintain its colonial character, an atmosphere of racy but respectable Edwardian England.

One glance, however, is enough to remind you this is not England. I surprised a family of mongeoses conspiring in the bushes. Monkeys scampered about the roofs. And when the mango trees ripen, a man with a rifle is employed to keep at bay the rapacious baboons which

come marauding from the gorge. (He doesn't just shoot over their heads, either.) From time to time elephants saunter up the road and crash through the garden, or block the path which leads to the falls. It is not safe to walk out at night or early dawn.

The hotel is to expand again, adding a group of suites detached

competitor, said Roy Meiring, the ex-commando who is chief executive of Meikles Hotel in Harare.

Inside the old hotel, the decorators have treated their legacy with commendable restraint, resisting the temptation to camp up the colonial heritage.

The corridor walls have been left plain, to show off an enter-

American guests were shocked to be forced into jackets and ties at the restaurant door, rudely disabused of the notion that their revolution had cleansed the world of such crass elitist customs. They were probably even more shocked when they could observe only one black face

among the diners.

You watch the river, dotted with islands, flowing placidly towards the cliff-edge. Its waters vaporise as they fall into the abyss, spurting like firework trails

from the main building, out beyond the swimming pool. The impetus comes from Meikles Africa, the hotels and stores chain, which has long cast covetous eyes on the Victoria Falls Hotel and its hard-currency clientele. Last year Meikles bought a half share from managers Zimbabwe Sun. (The freehold is still owned by the railway.) While Meikles manages and develops the old place, Zimbabwe Sun is putting up a low-budget casino hotel next door. It will not be a

taining collection of paintings and prints, Pont cartoons, Empire trade posters and black-and-white photographs. The Bulawayo Room is decked out like the library of a London club.

Dinner is served in the magnificent Livingstone Room, where a three-course menu (including such treats as smoked ostrich carpaccio, Pacific oysters, King-kip fillet, Chateaubriand, with crème brûlée or crème suzette to finish) costs less than \$30. Some

Hillary Clinton slept here, and so did Madeleine Albright. Princess Anne had the suite directly above mine. There was a huge bowl of flowers on the coffee table, a bottle of wine in a cooler, whisky and brandy in decanters on the sideboard. The sitting room boasted two deep sofas and two easy chairs, a pair of butler's tables with lamps, properly weighted curtains, gold pelmets and gilded mirrors. Nothing cheesy, nothing chintzy. The bed next door was big enough for

three and the bathroom was made of marble.

Even the souvenir shops were tasteful. Upstairs you could buy handsome desk furniture in hardwood, stamped with the hotel's old emblem, a lion and sphinx in a cartouche, discovered when some of the hotel's original porcelain turned up in a rubbish tip. There were big-game memorabilia by military men, bound in elephant or buffalo hide. The ground floor shop had animals carved from verditer malachite jewellery, and table covers decorated in "potato" print.

To avoid the heat and the crowd, I went to see the falls at 6.30 in the morning. As you approach through the small park which has been built around the Zimbabwean end, you hear three overlapping sounds, unvaried but not unbroken: a bass rumble underneath, a roar in the middle, and the lashing of rain as a descent.

Looking directly across the maelstrom you watch the river, dotted with islands, flowing placidly towards the cliff-edge. Its

waters vaporise as they fall into the abyss, spurting out sideways like firework trails, until they turn to smoke which rises and drifts in veils across the scene, eventually floating up to meet a perfect rainbow arched across the sky. At full flood, it is hard to see anything but clouds and rainbows, and the sheer volume of water muffles the sound of its own percussive descent.

As you walk along the cross bar of a T-shaped gorge towards Zambia you may peer over an unguarded edge to see the water foaming bottle-green among the basalt rocks 300ft below. You may surprise a bushbuck and be followed by tame birds, scruffy black-and-white toucans or red and blue wrens, while dragonflies and swallows swarm above this strange micro-climate, an accidental rainforest.

The great explorer Livingstone was the first European to witness the smoke and thunder of the Victoria Falls. The name of the manufacturer engraved on that old padlock, now returned to its owners, was - what else could it be? - Stanley.

Information: Room rates (bed and breakfast): double \$372-\$414; single \$335-\$373; suites \$600-\$833. Tel: +263 13 4203/5, 4751, 4761. Fax: +263 13 51651 ZW, 51672 ZW. Fly to Victoria Falls airport via Harare (Air Zimbabwe liable to disruption) or via Johannesburg.

ENGLAND'S GLORY GILES MACDONOGH

The flipside of sweat and smokestacks

I get about a bit, but I confess I see little of England, especially that thick slab which lies around its belly. The Midlands are, however, of undeniable historical significance, for it was in the nation's paunch that its wealth was created during the glory days of the Industrial Revolution. That does not suggest beauty, of course. A generation ago it meant pits and mills and factories. Many of these have fallen silent. The collieries may have been smoothed over, the mills turned into luxury flats, but still the Midlands sadden me, when I think of towns and cities blighted by 1980s developers, lacerated by urban motorways, blighted by shopping centres, with their inhabitants reduced to armies of grey-faced people in kaleidoscopic shell-suits.

At the insistence of a friend, I took the train to Nottingham. There, as I left the Victorian railway station, was confirmation of my jaundiced vision: two huge, faceless blocks contained what was left of the city's great market - formerly held in the square below the Council House - which used to culminate in the annual goose fair. And the Derby Road displayed an ugly modernity in keeping with all I had witnessed in these parts of Britain before.

But there is a flip side to the ugly smokestacks and sweated trades. Those who creamed off the profits demanded loveliness in their villas and country houses. There is no better demonstration than the Park, "Nottingham's Belgravia", with its vast houses created by the architects T.C. Hine and Watson Fothergill.

Those who have never seen it might recall the Park from Lawrence's *Sons and Lovers*: the miner's wife, Mrs Morel was able to hold her head up high to the "well-dressed ladies going home to the Park", after her son Paul won first prize in an art exhibition at the Castle.

The Park was conceived by the fourth duke of New-castle, a famously unpopular peer. He suffered at the hands of the French Revolution in his youth, and campaigned against the Great

Reform Bill as a result. The people of Nottingham were so furious that they put the Castle to the torch. It was subsequently turned into a provincial art gallery.

The Park was formerly the preserve of that same castle, where Robin Hood's sheriff once held court. It is a great site, stretching away from a sandstone hill that was once the castle bailey. The houses on the spur of the rock are anything up to 10 storeys high, and many of them possess the added novelty of caves under the hill.

In one of these a certain Thomas Herbert created a series of grottoes out of the friable stone. One contains a



A bronze statue of Robin Hood near Nottingham castle. Caption

Gothic chapel complete with bats and frogs, while another exhibits an oversized Daniel complete with lion.

These caves used to belong to Morgans: a delightful Park house which has just been turned into an exclusive, five-room hotel. Looking round Morgans you become aware of the monied lifestyle of Nottingham patri- cians at the turn of the century.

Not all Nottingham's wealth derived from industry. A few miles outside the city is Newstead Abbey, the house made famous by the poet Byron and now owned by Nottingham Council. Byron sold it to Thomas Wildman in 1817 to raise some extra cash, and the building we see today owes rather more to its 19th century restorers than it did to the canonic regular who built the priory in the 12th.

Byron would hardly have recognised the interior of the place, apart from bed, book-cases and skull cup. Yet visitors came in droves virtually from the moment the poet died. By the end of the last century Newstead already received around 10,000 southseas a year. It is still a popular pilgrimage, especially for Greeks, who honour Byron for the role he played in their war of independence.

Something of the London boom has rubbed off on can- nary Nottingham. We had lunch at Shima Pinks, one of a small chain of new-wave Indian restaurants which will be coming to London this year. The novelty is a little part of the menu devoted to "dum pukht", a refinement in Moghul cooking which is supposed to come from Lucknow. Dishes - chiefly biryanis - are cooked in sealed pots. Having eaten at the Maurya Sheraton in Delhi earlier this year, I was ready for this. Compared to them the Nottingham biryani (cooked under pastry) was rather dry and uninteresting, but they got full on this for a classic rogan gosh.

In the evening we visited the revitalised Lace Market which was throbbing like Dublin's Temple Bar. We were heading for Merchants, which together with Hart's is reckoned to be the best restaurant in Nottingham. The meal was certainly up to good, London standards. I had a steamed rustic terrine of pheasant, sweetbreads and cabbage and a "burgundy-style" blade of Aberdeen-shire beef, followed by a thin apple tart with caramel sauce; and drank a bottle of 1981 Chateau Musar from an over-compact wine list. The evening was crowned by a tour of local bars.

I returned to London the following morning, almost surprised that I had spent such an enjoyable day prodding England's midriff bulge and I could swear I hadn't noticed a single shell suit.

Information: Morgans, 0115-9570017; for opening times at Newstead Abbey, call 01823-733537; Shima Pinks (615 before wine etc), 0115-9589828; Merchants (230 before wine), 0115-958 9898.



Some of the posters which went on display at this winter's ski sale at auctioneer Christie's in South Kensington, London

SKIING

Tragic lessons to learn

Arnie Wilson looks back on a deadly winter in Europe and wonders how future fatalities can be averted

Some skiers never learn. Particularly in gung-ho areas such as Verbier, Switzerland. Not only are there "no friends on powder days" but common sense is often abandoned, too. On February 12, the first day the resort opened after a big snowfall, it was business as usual for the local machismo skiers. Riding up in the Funispaces gondola from Ruinettes to Attelais, we watched skiers jump into Creblet - one of Verbier's most popular off-piste chutes - in spite of severe avalanche warnings. Our guide winced. "They're crazy," he said. But he was not surprised. For some skiers, fresh powder is fresh powder. Even if they risk their lives - and the lives of others - to ski it.

On this occasion, they got away with it, and soon scores of other skiers had plunged in, flattening the snow until the run was no

longer deadly. This is the kind of problem resorts have to deal with - even during possibly the most dangerous ski season since the second world war. For some skiers it was the best season they had ever experienced. For others it was the most horrific. Depending on where you were and what was happening when you were skiing - or hoping to ski - winter 1989/90 will be remembered as savage, superb, exasperating or frightening. Possibly all four.

Then there were the skiers who never came back. Almost 50 people - many of them skiers - lost their lives during the huge February snowfalls, either on the mountain or in the villages below.

Although staff at many resorts worked furiously to reopen the slopes after the almost unprecedented snow-

falls, hundreds more skiers found themselves trapped in resorts, sometimes having been virtually unable to ski because of blizzards and avalanche danger. While the chance of such huge snowfalls being repeated next winter or in the foreseeable future is slim, lessons have been learned. Perhaps the main lesson is the complacency brought about by a

been built in a so-called "no-risk" zone where there had been no serious avalanches for more than 90 years.

Marion Feisig, acting director of the Austrian Tourist Office in London, when the Galtür avalanche struck, said the Austrians too had set up a special investigation group to study the location of buildings demolished by the snow.

"Sometimes nature's power takes us by surprise. Then we have to be honest and objective and tell people what's going on"

false sense of security. Little by little, many mountain resorts have been quietly expanding over the years - a house here, a chalet here; a hotel there. Local planners allowed development in areas which, with the obvious benefit of hindsight, were unsafe, albeit only after exceptional snowfalls. The fact that in one or two cases, individual buildings hundreds of years old were swept away demonstrates how extraordinarily rare such events can be. It also proves that if there is the remotest chance of avalanche danger, then sooner or later, the day will almost certainly come when that avalanche arrives.

As Marie-Therese Smith, of the French Tourist Office, says: "There have always been avalanches in the mountains and there always will. It's a fact of life. There is no such thing as Risk Zero in the mountains." The French are still studying the aftermath of the devastating avalanche at Le Tour, in the Chamonix Valley, which killed 12 people in their chalets and set the scene for a series of avalanches of varying ferocity across the Alps. The chalets in Le Tour had

been built in a so-called "no-risk" zone where there had been no serious avalanches for more than 90 years. Marion Feisig, acting director of the Austrian Tourist Office in London, when the Galtür avalanche struck, said the Austrians too had set up a special investigation group to study the location of buildings demolished by the snow.

In France, said Smith, similar measures had been taken in the big Tarentaise resorts such as Val d'Isère, Les Arcs and La Plagne where the 1982 Olympics took place. "A lot of work was done on avalanche security and other safety measures on the slopes before the games," she said. "But, after this winter, resorts will be much more insistent about trying to stop people skiing off-piste when conditions are dangerous."

Urs Eberhard, London director of Switzerland Tourism, who spent 10 years in the Swiss mountain rescue service, said: "Winter sports are held outdoors and that means to an extent you are

in the hands of nature. Sometimes nature's power takes us by surprise. Then we have to be honest and objective and tell people what's going on."

"Most of the time the protected areas and alarm services work extremely well. But this winter has opened our eyes. In future we have to have our contingency plans perfected and ready. It took us two or three days to react to the extreme weather conditions. In future things should move faster. We should be able to open a drawer, as it were, and activate steps one, two and three immediately."

The Ski Club of Great Britain voiced concerns about the rapid increase in the number of people - especially those using freeriding carving skis and snowboards, who were "technically able to venture off-piste but have not acquired the necessary knowledge about mountain-craft and safety aspects".

Laura Zachary, of the club's information department, also stressed the confusion over avalanche warnings. "We had many phone calls from worried parents, fearing their children would be caught on the nursery slopes. The majority of people didn't understand that the avalanche danger levels of one to five (five being the highest danger) refer to skiing off-piste."

"Avalanche problems on pisted runs which are open are extremely unlikely since the piste security would close the slope at the slightest risk. We recommend that people should not go off-piste if the avalanche risk is higher than three. We advise those who do to use avalanche transceivers, a shovel and a qualified mountain guide."

Try telling that to some of Verbier's hard-core skiers.

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part 4

Always A Great Place To Be

Miles of beaches, acres of rainforest, skies full of sunshine, friendly people and an endless variety of delicious food, Malaysia is simply the tropics at their best.

Marketing Malaysia as a tourism destination has long proved difficult. Classic marketing theory of focussing on a unique selling point, and sending out a single-minded message, doesn't work. No single image can sum up a country that has so much to offer the traveller.

Fortunately for consumers, it's a simpler proposition. If you want to see, smell, taste and experience the tropics at their best, go to Malaysia. It's big enough to provide a huge diversity of attractions and terrain, yet with transportation easy and plentiful, you can cover a lot of ground without feeling pressured.

Nature has been especially kind to Malaysia, she gave her dramatic landscapes yet gentle weather. The rainy season brings refreshing downpours but it never rains continually, and there are neither typhoons nor earthquakes. Beaches are clean and safe. The water is always warm, and generally the seas are calm and surf-free.

English is widely spoken as a result of its colonial heritage and high level of literacy. The national language, Bahasa Melayu, with its roman script and easy pronunciation, is the most approachable in Asia. After a few attempts you can confidently order breakfast in Bahasa — and the locals will encourage you every step of the way.

Malaysia's best asset, of course, is its people and having welcomed travellers and merchants for half a millennium, hospitality comes naturally. Service is warm and gracious with none of the scripted falsity that you so often hear in the West today.

The diversity of attractions — and accommodation — means that Malaysia has something for everyone, at every stage of life, activity level and at almost every price. And for some old-fashioned rest and relaxation, Malaysia's main resort centres such as the islands of Penang and Langkawi, the east coast towns of Cherating and Kuantan, Kota Kinabalu in Sabah and

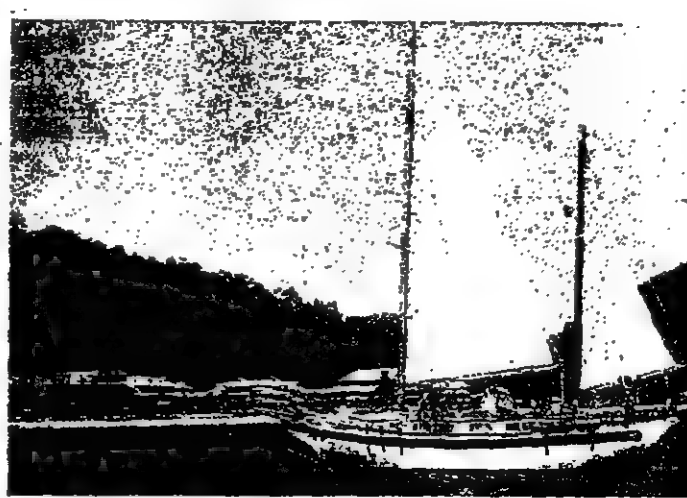
top. If you can't leave your children at home, check in to The Andaman next door on the same glorious crescent of beach. Luxurious but low-key, spacious and with a lagoon-style shaded pool, it is more family friendly — and so's the price.

On Penang, the Shangri-La Rasa Sayang is one of Malaysia's oldest and best loved resorts with superb gardens fringing the beach — an excellent spot to sip wine, read or even play petanque. Staff bring you chilled tropical fruits and cold towels throughout long sultry afternoons. Further south, the Pangkor Laut Resort offers a choice of private villas. Ones on stilts above the gently lapping sea are guaranteed to cure any insomnia. This delightful and romantic resort on a private island was opened with a concert by Luciano Pavarotti back in 1994.

On the East Malaysian state of Sabah, the superb Shangri-La Tanjung Aru Resort is a favourite with couples and honeymooners. This sophisticated resort offers unforgettable sunsets over the Tunik Abdul Rahman Marine Park dotted with tiny deserted islands. Have one to yourself for a champagne picnic with delicious food and transport by speedboat organised by the hotel.

In Sarawak, the other East Malaysian state, there is the gentle Damai Beach which offers a number of resorts, including the Holiday Inn. Close to wildlife sanctuaries and the Sarawak Cultural Village, it's a good base for families and couples to explore the interior.

For families and the more budget conscious, Malaysia has options galore. Many resorts offer family packages, children's activity clubs, family rooms and even waive charges for youngsters sharing with parents. The Shangri-La's three properties in Penang — the Golden Sands, Palm Beach and the upmarket Rasa Sayang — sit side-by-side on Batu Ferringi beach. Together they form probably the biggest best equipped resort in Malaysia for families — cross-



Langkawi Island's crystal clear waters tempt sailors, and water-sports' lovers (top right)

signing facilities mean you can stay in one and play in the others.

On peninsular Malaysia's quieter and more traditional east coast, the Club Med at Cherating is designed to resemble a Malay village or kampung. It boasts a circus school as well as the usual Club Med facilities. The Pan Pacific Resort on Pangkor Island is also a favourite with families.

For cooler options, the former hill stations in the Cameron Highlands offer temperate rounds of golf and cream teas to rival any in England. The Genting Highlands has several resorts which offer activities such as riding and trekking. There's an outdoor theme park for kids — and for grown-ups, Malaysia's only casino.

If you really want to escape the crowd, head for Malaysia's east coast where old customs and festivals thrive. Here most accommodation is in rustic chalets, homestays and small hotels. Travelling by rail, rented car, shared taxi or boats upriver into national parks or out to the many unspoiled islands is easy, fun and safe.

The fishing village of Mersing offers access to the laid-back islands of Rawa and Sibul amongst 60 others. Or you can hop across to Tioman, immortalised as the setting for the musical South Pacific. The lovely Berjaya Tioman Resort offers chalet style accommodation, horse riding through the rainforest, trekking, snorkelling and scuba-diving. Further north are the islands of Perhentian, Kapas and Redang now the site of the Berjaya Redang Beach Resort and Redang

to Europe it's fair to say that all of East Malaysia is wild. There's plenty to explore in Sarawak, Malaysia's largest state. It is home to Mulu, Bako, Niah, Batang Ai and Lambir Hills national parks. Mulu has the biggest limestone caves in the world — one cavern is big enough to accommodate St Paul's Cathedral five times over. There are 20 different ethnic groups and some of the most diverse dipterocarp forest on earth.

You can journey inland and stay at a real Iban longhouse. Watch the people living and working, especially weaving their stunning ikats, which are definitely worth buying. If you like your creature comforts, you can opt to stay lakeside at the Batang Ai Longhouse Resort. Run by the Hilton, it's the Iban concept but the facilities are more like home.

Over in Sabah, there are 30 different ethnic groups and southeast Asia's highest peak, Mount Kinabalu at 4,101 metres. Climb it and your trail will be adorned with over 1,000 different orchid species. Sandakan is the best base to explore the rainforest and numerous sanctuaries and reserves have opened recently. Oldest and most famous are the Sepilok Orang-Utan Rehabilitation Centre which rears them and returns them to the wild, and the Turtle Islands Park where endangered green and hawksbill turtles come to lay their eggs. For a special treat stay at the Borneo Rainforest Lodge, an exclusive facility for natural history buffs with comfortable accommodation, good food and excellent guides.

If man-made history is more your thing, there's much to explore in Malaysia despite rapid modernisation. For a taste of old Malaysia, the streets of Georgetown in Penang, Kuching in Sarawak, and Melaka are priceless.

Melaka is Malaysia's oldest city, a port that was fought over by the Portuguese, Dutch, British and indigenous Malay sultans. Four hundred years later, the food still retains a Portuguese influence and the famous red Dutch town hall of 1650 and the fort still stand. The sense of history and cultural mix is strong. Charming Jonker Street, jam-packed with memorabilia shops — junk and antiques — from all eras, is a browser's paradise.

In Georgetown, streets full of old Chinese shophouses — many apparently held up by advertising posters from before the last war — is a busy working commercial centre. Tour it by trishaw — the locals still do — and you slip back a century.



Here small boats for island-hopping

For eco-travellers or adventurous types who want to compete rather than spectate, Malaysia has the space — 19 million hectares of forest, in fact, or 75 per cent of the country. Over a quarter is protected as natural parks and wildlife and bird sanctuaries. Over 14,500 species of flowering plants (including 2,500 species of trees) have so far been found in Malaysia's forests, along with 600 species of birds and more than 200 species of mammals — including such rarities as the Malayan tiger whose population as a result of conservation is on the increase.

The jungle is no walk in the park, and needs to be treated with respect. In Malaysia, however, you have the opportunity to experience this dramatic eco-system at many levels. You can dip your toe in by visiting wildlife sanctuaries, or go the full monty and trek for days inland to visit isolated tribes living as they have done for centuries. And there's plenty of choice in between.

On peninsular Malaysia, Taman Negara national park has 2,500 square miles of 130 million-year-old rainforest. It's a great introduction to the wild with organised tours and transport by boat upriver to park headquarters. Here, you'll find the Taman Negara Resort with deluxe chalets, hot showers and great food. It's possible to go for an overnighter whilst tougher explorers can opt for an arduous nine-day trek up Mount Tahan (2,178 metres). A night in a hide can offer a glimpse of a tiger, tapir, deer or wild buffalo. Further south is the lovely Endau-Rompin National Park which has only recently geared up for visitors. Perhaps that's why it's the last refuge in peninsular Malaysia of the rare Sumatran rhinoceros. Compared



Tranquility and tradition thrive in Trengganu

Kuching, the capital of Sarawak, is possibly one of the most delightful towns in Asia. Here, many architectural styles sit happily side by side along the meandering muddy river. The excellent Sarawak Museum is an anthropologists' dream. Fort Margherita every history-lover. A new promenade allows you to stroll along the riverbank watching the river traffic, the houses on stilts, the trishaws and other people soaking up the same slow and sultry atmosphere. It leaves a quietly intense and enduring image that sums up the tropics at their best in Malaysia.

This advertorial was created by the Malaysia Tourism Promotion Board. Visit us at <http://tourism.gov.my>



The new state-of-the-art Kuala Lumpur International Airport is a welcome sight

With a society made up of Malays, Chinese, Indians and over 30 different tribal groups, no country in the tropics is as ethnically diverse. This is reflected in a rich cultural life, a calendar full of fascinating festivals, and glorious food. Malaysian cuisine is a smorgasbord of variety. Rich and spicy, it is never a test of endurance like some neighbouring cuisines, or a test of technical prowess: spoons and forks, not chopsticks, are the order of the day.

Damai Beach in Sarawak, are hard to beat.

Stressed out execs can unwind in luxury at The Duxton in Langkawi, off Malaysia's northwest coast. Sensitively designed to merge with the rainforest as it doaks the mountainside all the way down to the beach, this is one of the country's top hide-aways. Excellent food is served outdoors by the beach or in restaurants that appear to float amongst the tree-

more budget conscious, Malaysia has options galore. Many resorts offer family packages, children's activity clubs, family rooms and even waive charges for youngsters sharing with parents. The Shangri-La's three properties in Penang — the Golden Sands, Palm Beach and the upmarket Rasa Sayang — sit side-by-side on Batu Ferringi beach. Together they form probably the biggest best equipped resort in Malaysia for families — cross-

A Capital City For Business

The Malaysian capital, Kuala Lumpur, was a sleepy green oasis in the 1970s. Today, it's the most exciting metropolis in southeast Asia — and a great centre for doing business.

In the past two decades Kuala Lumpur has changed almost beyond recognition. Expatriates of old living in their colonial mansions in leafy Damansara Heights would often pop home for lunch. Now they live in condominiums and take lunch in any one of scores of restaurants in five-star hotels and independent restaurants across the city which is a good thing for two reasons. Today the traffic is so busy they wouldn't make it home in time, and besides the wife wouldn't be there. She'd be in one of dozens of fabulous shopping malls, having lunch or even out at work herself.

Sleepy no more, the symbols of the new Kuala Lumpur are Cesar Pelli's quarter-mile high Petronas Towers, the tallest building in the world and the gateway to the new commercial heart of the city. Built on the site of KL's old horse-racing track, the Kuala Lumpur City Centre (KLCC) project is the world's biggest real estate development and the city's biggest bet on its future.

Eastward lies the Golden Triangle, another relatively new face of the city, full of hotels, boutiques and shopping malls and offices. Many of the city's top hotels are in this area. By the end of the decade, KL will have over 26,000 hotel rooms and since they have traditionally been some of the best bargains in Asia, room rates look set to remain great value for business travellers for years to come.

Some of the city's most famous hotels like the Shangri-La, The Regent and the Hotel Istana, have been joined recently by the Ritz Carlton, Mandarin

Ortel, JW Marriott, Renaissance and Radisson. On the way is an Empress Hotel and a Duta Grand Hyatt. All are internationally renowned with first class facilities for executives both as individuals and groups.

KL is an excellent destination for meetings with the city and the country's attractions providing great opportunities for incentive programmes or post-conference getaways. For large conventions, there's

options by the thousand (see main story).

For dining and entertaining, KL boasts a huge selection of restaurants encompassing every Asian cuisine and a score of western. From hawker fare to local coffee-shops to the best French and Italian cuisine, KL is hard to beat. After dark KL has long had a reputation as a fun town and that is growing — and there's more than karaoke, bars and clubs.

Amongst other cultural options, the Malaysian Philharmonic Orchestra attracts first class soloists and conductors, such as Dutch conductor Kees Bakels, and runs an active programme from its new concert hall at the KLCC.

Night-time is also the time for shopping at the famous pasar malam, the night markets which tantalisingly change location throughout the week. The recession and exchange rate fall has meant Malaysia is a bargain hunters dream and just about everything can be found in KL. From electronics and designer labels in modern malls like Lot 10 and Star Hill to antiques and handicrafts at the nostalgic Central Market in the older part of the city.

But instead of buying your partner a gift from Malaysia, why not bring him or her (and the kids) with you. The fabulous new Kuala Lumpur International Airport offers state of the art facilities and connections to over 102 cities around the world and shuttle services to all major Malaysian cities and resorts.

There really is no better time or place to combine business and pleasure than in Malaysia today.



Coming together for business at KL's Petronas Towers, Cesar Pelli's landmark

the Putra World Trade Centre, a purpose-built venue of 21,000sqm of convention and exhibition space. The Petronas Tower can host 3,000 delegates for a convention, 1,600 for banquets.

The Shangri-La Kuala Lumpur has a pillarless ballroom to seat 2,000 classroom-style while the Ritz Carlton, Istana and Hilton also offer great meeting and conference venues. For pre- or post-conference, tours or incentives, Malaysia has

TRAVEL

All at sea when seeking romance

Looking for that special person on board a cruise liner is more likely to lead to damped ardour than a shipboard wedding, warns Bill Glenton

Under a tropical moon shining on a velvet blue sea, a handsome couple embrace against the ship's rails. The throb of the engines adds to the beating of hearts.

Ever since cruising began in the 19th century it is a scene that no romantic novelist worth his or her sea-salt has overlooked. Yet how realistic is it as we sail into the next millennium?

According to the cruise line brochures, such high-seas passions still flourish. You will find pictures of similar loving pairs closely displayed. But aren't these models? And don't the companies have a vested interest in promoting the romantic attraction?

The truth, as always, lies somewhere between the popular imagery and the cold shower of reality. Love affairs do flourish on cruises but it calls for luck and good planning more than high hopes.

Viewed from the shore the chances do look good. What better location for intimate social contact than the close confines of a ship? Where else can there be a more glamorous setting for seduction than, say, the palm-fringed Caribbean?

So the scene is set perfectly for this real-life enactment of an episode from *Love Boat* - but where is the appropriate cast?

Will you find those sexy young women and unattached handsome males? Moreover, will they be willing?

Far be it for me to damp anybody's ardour but, as any regular cruise fan will confirm, your average passenger on most trips is closer to retiring and early-to-bed age than to the smooching, dance-all-night days of the 20- to 30-year-olds. Not, I hasten to add, that some do not still have passionate desires.

The fact that most passengers are happily married couples does, however, impose limitations. Incidentally, wife-swapping never really took to the oceans - in many years of cruising I have

only once come across it and that came to an abrupt halt when we ran into a storm.

Choosing a larger ship does increase the chance of finding singles although the odds are usually heavily weighed in favour of the male sex - older men at that.

The latter are far outnumbered by lone ladies of what can politely be referred to as of "mature years".

Whether it is for romantic reasons or more out of loneliness - some undoubtedly come in search of a permanent partner - cruising has always attracted many widows and divorcees.

Sadly, there can be so many in the same boat, so to speak, that it can sometimes emphasise their lack of male company.

This has proved such a problem that some lines have taken special steps to deal with it and make these women feel more comfortable on board.

Half-a-dozen companies provide hosts as well as the usual hostesses. Selected for their social and moral qualities, these middle-aged to elderly gents share the same lone status owing to divorce or the death of a partner.

A handy, organised method of ensuring shipboard romances, perhaps? Far from it.

The hosts are governed by strict rules limiting their behaviour to polite chat and partnering the ladies in dancing, bridge and deck sports. They must pay equal attention to all the women. Quite definitely no cabin visits.

It is a more testing role than it may look. Being able to keep at bay the highly intimate demands of some of the more pressing women without causing offence calls for as much mental agility as the nifty footwork these men have to display on the tango floor. Moreover, more than one host I have met has had to lock himself in his cabin in the face of the more persistent advances.

Another, more universal, method the lines employ for catering for singles - of both sexes - is the Singles Party.

Held near the start of a cruise, it is an easy way for strangers to make friends, with free drinks helping to ease any embarrassment. That awkwardness could be increased, however, if it turns out the handsome stranger is really a husband freeloading on the G&T. It happens.

I doubt if the latter situation appears in any of the nautical romance novels. But there is one stock character any partner-seeking woman can be fairly sure of encountering in many ships - the jauntily attractive and single officer. In his smart uniform he can look designer-made for pulsating embraces under the stars.

He may also be more than willing, although luring him from his duty can call for a persuasive temptress.

Most cruise lines impose tight restrictions on personnel-passenger fraternisation. An officer found in a guest cabin or just cuddling on deck would be severely disciplined - maybe even sacked.

Some cruise lines have taken special steps to make lone women feel more comfortable on board, and provide hosts as well as the usual hostesses

Such rigid rules, however, are more likely aboard, say, British and Norwegian-run ships, while Italians and Greeks take a more relaxed attitude. One Pireaus-based line encourages officers to socialise with passengers because it has proved a big selling point.

As a director says: "We carry so many single women who, no matter their age, are looking for a little romance that we feel it is almost a duty to give them the opportunity. Of course, it is entirely up to the ladies and no

long as no one complains, captains will usually turn a blind eye.

Far more openly, and sometimes more lastingly, true romance between passengers does surface. On several cruises I have taken, captains have conducted services of blessing for couples who have met aboard and then married. No, captains are not empowered to conduct weddings.

But plenty of marriages do take place on cruise ships. Certain lines operating from US ports,



mainly in Florida, offer marry-and-cruise packages and employ their own registrars. The wedding has to take place in American waters, following quickie marriage licensing formalities ashore.

Each year hundreds of couples seize this highly convenient opportunity of combining their celebrations and honeymoon in the one ship; but many thousands more choose the cruise alone as the romantic setting for their honeymoon.

Most lines today encourage them with extra attractions such as free champagne, gifts and meals in their cabins.

Some even hold honeymooners' parties which, to the more privately intimate, may seem particularly unromantic.

If you want a cruise to live up to its heart-throbbing image and your romantic hopes, taking a partner with you, wedded or otherwise, is the only guaranteed way of achieving it.

While that clearly may be impossible for many, with careful planning they can give themselves a better chance of a cosy encounter at the ship's rails in the moonlight.

Larger ships with more passen-

gers and activities provide more opportunities - and more open deck space - for meetings.

Choose the right season for your age group. Main holiday periods such as Easter and summer attract more younger people, while at other times the middle-aged to elderly may fill many cruises.

Pick the right type of cruise according to your special interest. You are more likely to find a soul-mate on one of the many themed cruises; these feature a range of subjects from music or archaeology to botany or bridge.

Match the fare to your ambitions. Finding a rich boyfriend or wealthy widow does not come cheap, with the average fare for a top luxury cruise as high as £875 a day. A cheaper trip on a floating fun palace can offer more chances.

Of course, you could always settle for a visit to your local public library. Their shelves pack enough sea-going romance to fill a fleet of cruise ships.

More information about cruises is available from the Passenger Shipping Association, 288 Regent Street, London W1R 5HE. Tel: 0171-486 2449; fax: 0171-486 9235.

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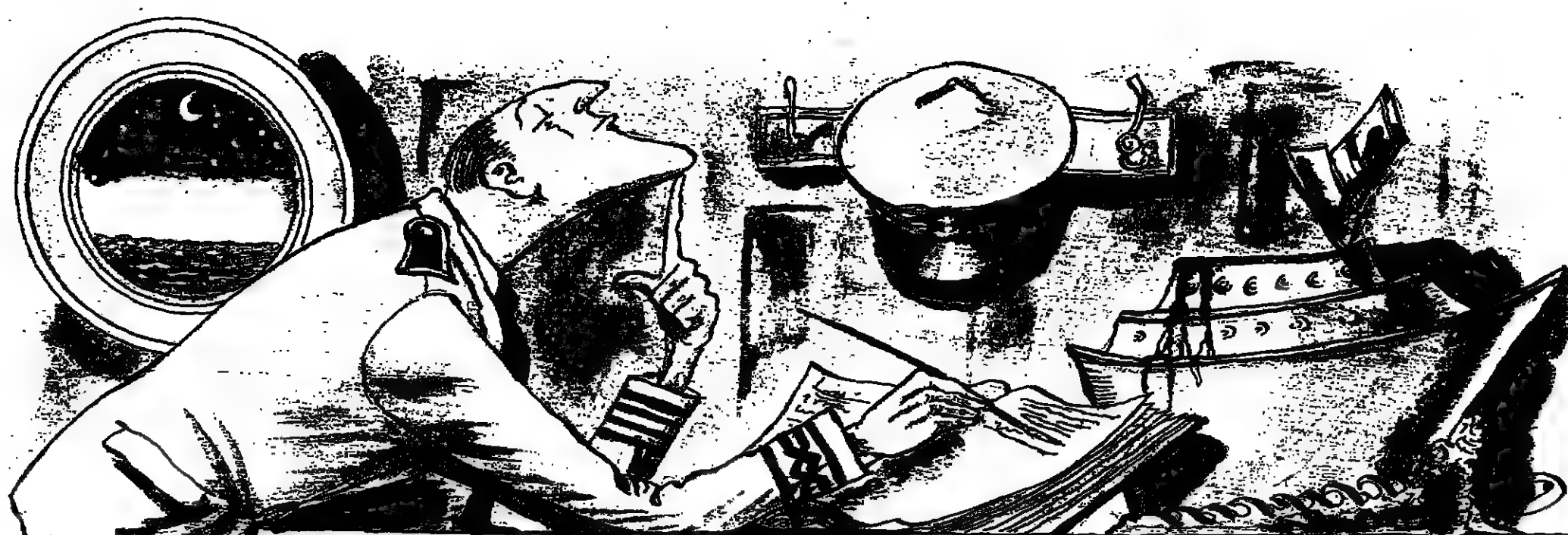
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TRAVEL



Dressing up the captain's log

Nicholas Woodworth keeps a nautical-but-nice record of how to slow down and enjoy the pace of activities above and below decks

Ships' captains are, no doubt, uncommon men. But uncommon writers they are not. They can make a sea voyage from Porto Rico to Barbados sound as exciting as a commuter trip from Waterloo to Surbiton. Take a few entries from the log of Captain Bernie Warner, master of the Dawn Princess, penned at the start of a recent Caribbean cruise.

Sunday, March 7, San Juan, Puerto Rico, 2.34am - Let go all moorings, backed away from berth. 2.40am - Vessel moving away from berth. 2.51am - Disembarked pilot at port entrance. 8.00am - St Croix ahead to starboard. Noon: Ship's position Lat. 17 degrees 00.9 minutes North Long. 80 degrees 37.6 minutes West. Air temperature 28.5°C. (79.7°F). Sky partly cloudy. Sea slight. 1.0pm - Transited St Lucia Channel with St Lucia to starboard and Martinique to port.

Enough. Ho-hum, you are saying, and I cannot blame you. The captain's observations are drier than a ship's biscuit. Flatter than the Sargasso Sea.

This is a cruise through the West Indies, for heaven's sake - where is the passion, the romance, the sense of nautical adventure? For all the atmo-

sphere he summons up, the captain might as well be describing the progress of a rubber duck in his bath-tub.

What is it like to set sail through the Windward Islands? The ship's master, I fear, may never blossom into a Joseph Conrad. I am no Conrad either, but I once a passenger on that Dawn Princess cruise. The captain leaves me no choice but to reproduce my own log entry for that same 24-hour period.

Monday, March 8, 2.34am - Removed Moat at Chandon from bucket, let go cork. 2.40am - Spirits, like tide, rising. Cruised from berth (a wide, comfy bed) across carpeted stateroom to private balcony. Sniffed tropical sea air and gazed at receding lights of San Juan. Like the 200 or so Britons I have flown with from London today, I am all in.

So too are the Americans joining the cruise, delayed by winter storms in Chicago. Altogether we are 2,000 sun-starved holiday-makers on a ship 14 decks high and three football pitches long. It is a small floating country club, with 670 crew to entertain us, and pump up our pillows.

2.55am - As captain drops

pilot, I drop into bed and oblivion.

2.30am - Fried ham abeam to starboard, hash-browns to port. The Dawn Princess's dining options do not encourage moderation. There are two formal dining rooms, a pizzeria, a patisserie, a bistro, a wine and caviar bar, a hamburger counter and an ice-cream parlour. The Horizon Court, where I eat breakfast, is a

sum. She may be right. On this, our one full day at sea with no shore excursions, the pool area is crowded with bodies rapidly turning shrimp-pink from grubb- white. I decide to get out of the sun and entrust myself to the tender mercies of the cruise director's entertainment staff.

12.30pm - I am confused. There is too much on offer. Shall I try a game of virtual golf? A fruit-and-

vegetable-carving demonstration? A skin clinic? A scuba diving course? A back-strengthening class? A bridge lesson, a church service, a lecture in ionothermie, the revolutionary new anti-cellulite treatment? There is a woman named Clair, an expert jeweller, who will tell me all about tanzanite, the world's most sought-after gemstone. There is a man named Russell, the ship's port specialist, who knows more about Caribbean duty-free shopping than any other man alive. And then, at 1.30, there is a Singles Mingles.

1.30pm - I feel sorry for Erin, the young man who leads the Singles Mingles drinks-and-introductions session in the lounge on deck seven. He has so little material to work with. The Princess Cruise Line's trademarked slogan may well be "It's more than a cruise, it's The Love Boat", but I must admit that, seen from deck seven, nascent shipboard romance seems a remote possibility. Just five passengers have turned up. Although as a group the Americans are decades younger than the Brits, the fact is that almost everyone aboard is half of a couple already. My four fellow passengers, tellingly enough, are all high-tech computer wonks. We talk programming for half an hour or so, and then I skip off to a line-dancing class where I console myself to the guitar-twang of "Achy Breaky Heart".

7.30pm - Does that mean the days of Hollywood-movie-style romance on the high seas are over? Not at all. Black-tie events, such as the captain's welcome cocktail party remain glamorous affairs. They are enough to send every couple aboard scurrying to their cabins in an effort to emerge, dinner-jacketed and evening-gowned, looking like

Fred Astaire and Ginger Rogers. Changing clothes, in fact, may be the highest activity of all aboard the Dawn Princess. Some evenings are formal. Some are semi-formal. Others are casual. There's even a dress-up island night. In a cabin festooned with aloha shirts, I feel like an extra in a movie-set changing-room.

8pm - Even the Atrium, scene of the Captain's party, is a bit of Hollywood fantasy. I find it hard to believe it is on a ship at all. Three storeys high, it is a vast open space of sweeping white marble staircases, burnished gold surfaces and full-size coconut-palm trees. There is even a small waterfall. While outside ocean waves rush by in the dark, invisible and unfelt, inside glass-sided lifts rise and fall, delivering guests to the captain.

8.15pm - Champagne fizzes, pianos tinkle, guests pose for photo portraits. In the middle of a cloud of perfume and cigar smoke I meet the captain. He is charming. I feel contrite. I am beginning to understand now why he has so little time to cultivate literary skills or make more detailed entries in his log. There is simply no time. Cruise captains these days are not only required to handle ocean leviathans such as Dawn Princess. They are also expected at the same time to be congenial hosts, grand poo-bahs. In today's competitive and fast growing cruise industry, there is no place for Joseph Conrad.

10.45pm - It's Karaoke Time in the Jammers Night Club. The place is humming. The DJ has already had all the men up on the bandstand collectively singing "Do Wah Diddy" to their hooting wives and girlfriends. Now it is the women's turn, swaying in time to the music, holding each other by the waist, belting out "I Will Survive".

Jet-lagged, sun-burned, full of lobster and champagne, I am fading fast. Tomorrow at 7am we arrive in Barbados. Then comes St Lucia, St Maarten, St Kitts and St Thomas. For the moment it all seems rather a lot. But I take a deep breath.

Like the women in the bright lights in front of me, I am sure I will survive.

Nicholas Woodworth was a guest of Princess Cruises, 77 New Oxford Street, London WC1A 1PP. In the UK and Europe, call 0171-800 2468. In the US and Canada, Princess Cruises may be contacted at 101 Santa Monica Blvd, Los Angeles, CA, call toll-free 800 774 6237. Fifteen-night holidays aboard the Dawn Princess begin at £1,745. Deluxe suites begin at £4,615.

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SPORT



Over the top: is jump racing too hard on the horses? Its defenders claim to be the truest horse lovers

Ross, Howard/Report

HORSE RACING

It's all a bit of a hurdle

On the day of the Grand National, Michael Thompson-Noel tries to overcome his prejudice against jump racing

The Grand National steeplechase at Aintree racecourse, near Liverpool, has stirred passions and controversy for 160 years. The horses have to jump 30 daunting obstacles, mainly fences, and run 4½ miles.

As usual, this afternoon's winning horse and jockey will be feted like heroes. But among the equine also-rans, crashing falls leading to death or career-ending injury are common.

The Grand National was first staged in 1839. In 1828, when Tipperary Tim was the only unscathed finisher, there was an attempt in parliament to ban the race. In 1959 (34 starters - only four finishers) the government was told that the race was an annual orgy of cruelty masquerading as sport. Last year, three horses were killed.

Yet on most important criteria - public awareness and support, the size and fervour of the race-crowd, betting turnover, international TV viewing figures, and media interest, especially that of the BBC, which goes to extravagant lengths to emphasise the Grand National's appeal as a spectacle while averting the eyes of its cameras from the mayhem and deaths - the race is still extremely popular.

So, too, is UK jump racing overall. In the face of anti-cruelty protests, jumping is vigorously defended by almost all those professionally involved in horse racing, even if they are mainly or solely involved in flat racing. It is insisted that, in spite of its dangers, jump racing is exciting, enjoyable, widely supported and practised by out-and-out horse lovers concerned, above all, with their animals' welfare.

There were 3,171 jump races in Britain last year, against 4,216 flat races. Total flat-racing spectator attendance in 1998 was 3,091,358 (average: 4,734 spectators per race meeting) against 1,896,767 (average: 3,903) for jumps. There were almost as many individual runners over jumps last year (8,432) as on the flat (8,554).

Paul Greaves, racing director of the British Horseracing Board, the UK's main supervisory body,

is typical of those who defend jump racing with passion and sincerity.

"First," he says, "one of the great strengths of British racing is its variety and traditions, and there is no doubt that at the heart of that is the fact that we have flat racing and we have jump racing. In terms of our customers, there's no doubt that jump racing is an important and attractive part of [the whole]."

"Over the past 25 years, attendances for flat racing have been pretty level, whereas attendances at jump meetings, on average, have gone up nearly 30 per cent."

"Second, 6,000 or 7,000 owners are involved in jump racing, and to me - I have small shares in jump horses - one of its great strengths is the fact that all the people and owners I meet in jumping are the real horse enthusiasts. They're the people who really love the horses. You could perhaps say that flat racing is a little bit more of a business than jumping, which remains essentially a sport with a business element."

But what about the dangers? I asked. What of the jump horses that are killed or gravely injured?

"There is no doubt," replied Greaves, "that racing has an element of danger, like so many sports. In no way would we try to deny that. Both in flat racing and jumping, horses get injured and

sadly, on occasion, they die on the racecourse. That's not exclusive to jumping. More than a quarter of the fatalities take place in flat racing."

"How do I react to these dangers? We come back to the fact that it is the jumping folk who really love their horses. It is one of the great ironies that they are the accused in the minds of people like yourself. Also, we are constantly striving to improve standards for the care of horses."

The winner will be feted. But among the equine also-rans, falls leading to death or career-ending injury are common

including formal training programmes. Modern-day racehorses benefit from a five-star equine environment."

But, I said, jump racing is a substantial business, isn't it? Its staunchest defenders include many with a vested interest in its survival.

"Indeed it is a business," Greaves agreed. "Racing as a whole is a substantial business. As a consequence, it provides much employment as well as enjoyment. Nothing wrong with that, I think."

How many horses die on the racecourse? "The actual number in 1998 was 74.576," he said. "We do not publish the figures [for fatalities]. The Jockey Club keeps the figures but doesn't publish them. The records indicate at the moment that the level of fatalities is flat, statistically. There's no increase. Equally, there's no decrease. I think it is known that, out of those 80,000 or so runners, the number of fatalities is certainly more than 100, heading towards 200 - in total, for flat and jumps."

But why the secrecy, I asked? Why does the Jockey Club conceal the exact figure? They used to own up to it. In 1980, when asked by the FT how many horses were killed on British racecourses in a year, the Jockey Club said the figure had been 177 dead horses in 1987, 182 in 1988 and 174 in 1989. But they won't discuss it any more. Why the cover-up?

"Interesting question," said Greaves. "What I do know is that there's no statistical reason for them to - as you put it - cover up the fatalities, no hidden trend causing disquiet. I see the figures. There is no upward trend whatsoever."

"The Jockey Club are doing a number of things, as I understand it. One of them is to apply

his name in your list) because not all of them can."

With 4½ miles to cover, stamina is vital, too. The National is the longest race of the year, so your selection must have performed well over a trip at least as testing as the Cheltenham Gold Cup's 3½ miles.

And class will be important. Pick a horse that competes at jump racing's principal tracks, though a previous run in the National is not a great advantage. One that fits the bill is Call it a Day. It could well be his year.

Colin Cameron

TENNIS

Clay court army flexes its muscles

But, as the tour moves to Europe, some red-court specialists are not at full strength, says John Barrett

If you listen carefully you can hear them: the marching feet of the clay court army heading towards Barcelona and Monte Carlo for the first major European tournaments of the year.

They come from all over the world, relieved at last to be doing battle on their beloved red dirt. For those who learned their tennis on the slow red courts which abound throughout Europe and South America, every winter is a long and hard one.

But now they are smiling. Now is the time for revenge, the time to tease the power brokers with topspin drives, deft drops and looping lobs, to slide about court and prolong rallies in the time-honoured way.

Already this week in Estoril the advance guard has been flexing muscles. But even under sunny Portuguese skies, some of the fabled men have been cast into the shadows, including last year's finalists, Thomas Muster and Alberto Berasategui. Muster's left-handed skills, once all-conquering on clay, are weaker nowadays, as Felix Mantilla demonstrated in his 6-3 6-2 win over the former French Open champion.

Todd Martin's 6-1 7-6 win over Berasategui - a repeat of his victory in last year's Barcelona final - was even more commendable, for the American had flown straight to Portugal from the weekend's Davis Cup excitement in Birmingham.

How he had replenished his reserves of emotional energy after three draining days of effort against the fighting British only Martin knows. Even after his defeat at the hands of Tim Henman on the last day in Birmingham he had sat and suffered with the rest of his team while US hero Jim Courier was playing his epic decider against Greg Rusedski.

There were other Davis Cup results over Easter that may well have a bearing on the clay court season during its seven-week run towards the French Open. Gustavo Kuerten's magnificent form for Brazil against Spain will lift his confidence in the way no tournament success can. So intense is the pressure when representing your country that the survivors feel like supermen.

Kuerten is certainly in that category after contributing three wins on Spanish soil in Lleida. On the first day he beat the world No 6, Alex Corretja, in straight sets. Then he teamed with Jaime Oncins to defeat Corretja and Albert Costa 6-3 in the fifth. Finally, he humbled world No 2 Carlos Moya 6-2 6-4 6-1 to clinch the tie. "This is the best thing that has ever happened to this team," said Kuerten. "For the first time in my life I'm going to be playing in the second round of the Davis Cup."

These unexpected setbacks will give the Spaniards pause for thought. Corretja and Moya are both products of a club system in Spain where competition, all of it on clay courts, is strong. Spanish tennis has never enjoyed such strength in depth. One quarter of the top 30 players in the current ATP rankings are Spaniards. Most of the points earned by these gladiators have been won at the clay court tournaments on which they sensibly concentrate.

Yet the best national players have consciously sought to improve their performances on hard courts, the surface on which so many of the other leading tournaments are played, including two of the four grand slams (the Australian and US Opens) plus the ATP Tour World Championship in Hanover.

And they have had spectacular success. Last year Corretja beat Moya in a superb Hanover final, coming back from two sets down to take his first important title. As long ago as 1997 Moya had

proved his worth on hard courts, when he reached the finals in Sydney (where Henman had beaten him) and the Australian Open (where Pete Sampras had outclassed him).

Where does this leave the Spaniards on clay? Will the distraction of trying to become all-round players - Moya was saying after his loss to Australia's Mark Philippoussis at last year's Wimbledon that he would concentrate on improving his grass court skills - militate against their success on clay?

Would Moya and Corretja have performed better against Kuerten if they had not spent so much time on hard courts, or has Kuerten simply recaptured the form that won him the French Open in 1997? The next couple of weeks will provide some of the answers.

Thomas Enqvist of Sweden is another whose hard-court form has reached new heights. By reaching the final of the Australian Open last January he proved his growing all-round competence. It was all the more galling, therefore, that he should have lost to the Slovak youngster Dominik Hrbaty on Terraflex, an indoor hard surface, on the open-



Spain's world No 6 Alex Corretja trying to improve hard-court play

ing day of last weekend's Davis Cup tie. Unnerved by this defeat at home in Trolhattan, Enqvist lost again on the third day to Karol Kucera (who had already beaten Thomas Johansson), to give the Slovaks a winning 3-1 lead against the holders.

It was not surprising that top-seeded Yevgeny Kafelnikov lost his first match in Estoril this week. His contribution to Russia's 3-2 Davis Cup win over Germany in Frankfurt had been immense. Two straight-sets singles wins over Nicolas Kiefer and Tommy Haas, who had beaten Russian No 2 Marat Safin on the first day, compensated for a frustrating doubles loss to Boris Becker, playing in his last Davis Cup tie, and David Prinosil by 10-8 in the final set. It was left to the young giant Safin to score the winning point by beating Kiefer in the last rubber.

Others to watch out for in Barcelona next week are Henman, who starts his clay court campaign with much to prove on an alien surface. Goran Ivanisevic, whose career is at the crossroads, and Philippoussis, whose fine performance for his country in the win against Zimbabwe signals a long overdue rapprochement with Tennis Australia.

The field for the Mercedes Super-Nine event in Monte Carlo in two weeks is the strongest I can remember, with only Richard Krajicek, the recent Lipton winner, and US Open champion Pat Rafter absent from the top 25 ranked players. Pete Sampras opens his account on clay and Greg Rusedski returns to the court after a well-earned holiday. Against the clay court army, neither will hold out any great hope of success.

only forward-challenged Wales consistently match the French backs. England have ruled the 1990s as Wales did the 1970s, but France have been far more consistently successful than either of them over the past 40 seasons.

France are also the only European national side who seriously worry the southern hemisphere giants. France won a series in South Africa in 1963, nearly 40 years before New Zealand managed it, and in the 1980s found themselves cheered on by New Zealanders tired of the joyless grind practised by the All Blacks.

They are worth a bet against any of the southern hemisphere teams when it really matters, says Dine, an Englishman who would not say the same of his own national team.

Chess No.1276: 1...Kf5 2 g4 Nf5 3 Kf4 Kf5 4 c5 d5 5 e5 b5 6 b6 c6 7 d7 Nf6 8 g5+ and a white pawn queen.

RUGBY UNION

A west side story from France's sporting divide

Huw Richards looks at the origins of the French game as the country prepares to meet Scotland in the Five Nations championship

University lecturer who is writing a social history of the French game, says: "Rugby came to France, as you would expect, from Britain, but the regions where it has become strongest are not the closest to Britain or those with most in common with it. One possible reason is that there was little early development of [soccer], so rugby was the first modern sport seen in the area."

Religion may also have played its part. The Catholic Church backed soccer rather than rugby, and south-west France has a long history of resistance to the authority of Paris and Rome.

Southern France has a sporting divide as fundamental as the ancient linguistic Languedoc/

Languedoc schism, with a clear boundary in the 30 miles between Béziers and Montpellier. Rugby dominates to the west, says Dine, and soccer to the east, although there are strong rugby pockets east of the Rhone valley, such as in Grenoble and Toulon.

While Toulouse and Bordeaux are important centres, says Dine, the culture is strongest in small towns and villages, places such as Brive and Agen. "Rugby lends itself to communal activity, to socialising and festivity in which everyone can join."

"This is reinforced by the municipal authorities. Their influence is greater than in any other country, says Dine. "Before open professionalism, teams included a disproportionate

number of municipal employees who had nominal jobs but in practice were paid to train and play for the town team."

Ill-concealed professionalism led to France's exclusion from international rugby between 1931 and 1947. Before that they were international rugby's outstanding joke, with only 12 wins in 78 Five Nations outings. Since returning to the fold they have the best record in the competition.

Dine argues that this is no coincidence. They concentrated on their national championship, which has been extremely strong since the end of the second world war, and the game did very well under the Vichy regime. Rugby league was outlawed, while the number of rugby union clubs and

players grew during the war years. There was little else for people to do. Rugby was local and easily available.

French rugby union probably regards the current French government inquiry into sport under the Vichy regime with some apprehension, while rugby league, by contrast, hopes for wider recognition of old wrongs.

Sociologist Christian Pociello puts France's tradition of free-flowing audacity down to the early years when they so lacked forward technique that attacking bravado was necessary to achieve anything. Dine notes that this style was particularly associated with the "second miracle of Lourdes", the team from that town which won six

championships between 1932 and 1960.

There is, he adds, "a strong aesthetic dimension to the game in France. Not just whether you win, but how you win. The great Welsh teams of the 1970s are still idolised because of the way they played. England in the 1990s, with exceptions such as Jeremy Guscott, have been regarded with disdain in spite of their success."

Hence, the ecstatic reaction of Pierre Villepreux, assistant national coach but advocate of the cavalier style, even though France lost an epic battle with Wales last month.

France's struggles this season are unusual. They habitually field the only Five Nations pack likely to worry England, while

Scotland are the away team but, in truth, both sets of supporters descending on the Stade de France in Paris today are visitors.

The Scots, whose rugby union team is the most improved in the Five Nations championship, they can take the title if they beat France and if England lose to Wales tomorrow - have had to cross the sea to get to Paris. No such physical obstacle confronts French fans, yet the culture they represent has little to do with Paris.

France's home games are played in the capital and the champion club, Stade Français, is also Paris-based. But ultra-rich Stade's title was only the third won by a Paris club since 1908.

The heart of the French game lies in the south-west of the country. The accents of towns such as Dax (famous for its silver band and a succession of great players), Agen and Castres will predominate among today's home supporters.

Phil Dine, a Loughborough

مكتبة العصر

INTERNATIONAL ARTS GUIDE

What's on
around
the world

AMSTERDAM

EXHIBITION
Rijksmuseum
Tel: 31-20-673 2121
The Floating World: Japanese scroll paintings on loan from the Kumamoto Museum of Art; to Jun 13

OPERA
Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Oratio: by Verdi. Conducted by Carlo Rizzi in a staging by Klaus Michael Grüber, with a cast led by Vladimir Bogachov; Apr 10, 13, 16

BERLIN

DANCE
Deutsche Oper
Tel: 49-30-54384-01
Tokyo Ballet: In the German premiere of Maurice Béjart's staging of The Nutcracker; Apr 14, 15, 16

EXHIBITION
Museum für Moderne Kunst
Tel: 49-30-2660
Max Ernst (1891-1978): retrospective of the German Surrealist; to May 30, then transferring to Munich

BONN

EXHIBITION
Bund- und Landesmuseum der
Deutschsprachigen Länder
Tel: 49-228-917 1200
www.bonn-bonn.de
● Right Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Rome establish itself as the centre of art in Europe, with the Vatican commissioning work by artists including Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted; to Apr 11
● Museo Nacional de Arte Antiga, Lisbon: this latest in the museum's 'Great Collections' series leads visitors through seven centuries of Portuguese art and history. The 200 works on display include paintings, sculptures and drawings, as well as objects made in Portugal's porcelain factories and gold workshops; to Jul 11

CLEVELAND

EXHIBITION
Cleveland Museum of Art
Tel: 1-216-421 7340
www.clevelandmuseumofart.com
Diego Rivera: Art and Revolution. Major retrospective of the Latin American painter and muralist pioneer. Features 125 works and includes public and private loans; to May 2

COLOGNE

EXHIBITION
Wallraf-Richartz Museum
Tel: 49-221-223 02
www.schlossmuseen.de
Arendt de Gelder (1645-1727): first monographic exhibition devoted to Arendt de Gelder, one of Rembrandt's most prominent pupils. The show includes 58 paintings and 13 drawings as well as 25 graphic works by Rembrandt; to May 9

COPENHAGEN

EXHIBITION
Lundbäck Museum of Modern Art, Nørrebro
Tel: 45-4919 0719
www.lundbaek.dk
● Henri Cartier-Bresson: Europeans. Previously seen in Paris and London, this show brings together 185 works ranging across the photographer's career from the 1930s to the present; to Jun 6
● The Asien City of the 90s: display focusing on the processes of cultural, political and economic development in Asia, and on the dialogue between East and West; to Apr 21

Steffens Museum for Kunst
Nedre Møstue: Four great collections. Brings together works from what were once the greatest private collections of Matisse's art, made by two Russians, Mikosin and Schukin, and two Danes, Tietzen-Lund and Rump. The show was organised jointly with the Hermitage Museum in St. Petersburg, where it opened last year; to May 24

FORT WORTH

EXHIBITION
Kimball Art Museum
Tel: 1-817-332-8451
www.kimballart.org
● Sites of the Nile: Ancient Egyptian Palaces. Display of ceramics, known as faience, a mixture created by the Egyptians and regarded by them as magical. Brings together over 200 works, including statues of kings, gods and animals, including works borrowed from public and private collections in the US and Europe; to Apr 25
● Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings on loan from collections around the world relate to this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

GENEVA

DANCE
Ballet des Forces Motrices
Tel: 41-22-418 3000
Ballet du Grand Théâtre de Genève: La Bayadère. New staging by Etienne Froy, with designs by Olivier Poussin. With the Orchestre de la Suisse Romande conducted by Thomas Rösner; Apr 10, 11, 12, 13, 15, 16

HOUSTON

EXHIBITION
Museum of Fine Arts, Houston and Contemporary Arts Museum
Tel: 1-713-639 7300/284 8251
www.mfa.org
Art at Work: Forty Years of the Chase Manhattan Collection. Display of 77 works which together chart the major movements in postwar American and European art. Organised chronologically, the show at the Museum of Fine Arts includes works by Calder, Stella and Deixis, while the Contemporary Arts Museum features artists of the 1980s and 1990s, including Basquiat, Crago, Lieberman and Sherman; to May 2

LISBON

EXHIBITION
Centro Cultural de Belem
Tel: 351-1-361 2400
After Aalto in Seven Buildings: Contemporary exhibition of the Finnish architect Alvar Aalto;



Timothy Nobel and Vladimir Bogachov in Verdi's 'Otello', at the Netherlands Opera, Amsterdam

LONDON

CONCERTS
Barbican Centre
Tel: 44-171-538 8891
www.bbc.co.uk/london
London Symphony Orchestra: conducted by Michael Tilson Thomas in a program including works by Charles Ives, Carl Ruggles and Beethoven; Apr 15

Royal Festival Hall
Tel: 44-171-980 4242
● Academy of St. Martin in the Fields: Sir Neville Martinson celebrates his 75th birthday. The programme includes works by Mozart, Britten, and Mendelssohn; Apr 14
● London Philharmonic Orchestra: Sir Roger Norrington conducts Haydn's Creation; Apr 11
● London Philharmonic Orchestra: conducted by Leon Botstein in works by Wagner, Knechtelstein, and Dvořák; Apr 16

EXHIBITIONS

British Museum
Tel: 44-171-638 1555
The Golden Squire: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-16), and plant and animal drawings; to Apr 18

Keyward Gallery

Tel: 44-171-261 0127
www.keyward-gallery.org.uk
Patrick Caulfield: major retrospective of the British pop artist; to Apr 11, then touring in Europe and the US

National Gallery

Tel: 44-171-639 3321
● Orazio Gentileschi at the Court of Charles I: first-ever retrospective of the 17th century Italian painter, friend to Caravaggio, and Court Painter to Charles I; to May 23, then travelling to Bilbao
● Portraits by tapestry: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25, then touring to the US
● Rogier van der Weyden: the 20 surviving paintings attributed to the 15th century Netherlandish artist are mostly too fragile to travel. The National Gallery has five, and these are supplemented by two from the Gulbenkian in Lisbon and two from the Getty in California for this show, which celebrates the 600th anniversary of his birth; to Jul 4

National Portrait Gallery

Tel: 44-171-308 0055
Matisse: Portraits. Works by the Pre-Raphaelite painter and portraitist, including his paintings of Ruskin, Lilla Langtry and Gladstone; to Jan 8

Royal Academy of Arts

Tel: 44-171-300 8000
● Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 works on display include important public and private loans, culminating in a group of seven of the monumental water-lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18
● Vesely Konevsky: Watercolours and other Works on Paper. Consists of 140 works on paper covering

the whole of Konevsky's career showing his versatility in watercolour, gouache, woodcuts, drypoints and lithographs; from Apr 14 to Jul 4

Tate Gallery

Tel: 44-171-587 6000
Jackson Pollock: arriving in London from New York, this major retrospective of the Abstract Expressionist comprises around 80 paintings and drawings drawn from major public and private collections worldwide; to Jun 6

Victoria and Albert Museum

Tel: 44-171-598 8500
The Arts of the Silk Kingdoms: first international exhibition of its kind which tells the story of the cultural heritage of the Silk; to Jul 25

OPERA

English National Opera, London Coliseum
Tel: 44-171-532 8300
● Mefistofele: by Böhm. Conducted by Oliver von Dohnányi in a new staging by Ian Judge; Apr 15
● Salome: David Attenborough conducts Richard Strauss' opera, starring Václav Neuzil as Salome in David Levezon's production; Apr 10, 16

THEATRE

Edinburgh Theatre
Tel: 44-171-494 5065
Gross Indecency: Moses Kaufman's play about the trial of Oscar Wilde, starring Michael Pennington

National Theatre, Cottesloe

Tel: 44-171-928 2252
The Riot: by Nick Darko. New work by the Cornish playwright, in a co-production between Kneehigh Theatre and the National Theatre, directed by Miles Shephard

National Theatre, Lyttelton

Tel: 44-171-928 2252
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

National Theatre, Oldham

Tel: 44-171-928 2252
Carducci: Bernstein's musical, in a new version directed by John Caird and Trevor Nunn

Prince Edward Theatre

Tel: 44-171-447 5400
Mamma Mia!: Music and lyrics by Benny Andersson and Björn Ulvæus. Directed by Phyllida Lloyd and designed by Mark Thompson

LOS ANGELES

CONCERTS
Dorothy Chandler Pavilion
Tel: 1-213-365 3890
www.lap.org
● Los Angeles Philharmonic: conducted by Hans Knik and featuring Lars Vogt on piano in works by Weber, Mozart, and Schubert; Apr 10, 11
● Los Angeles Philharmonic: conducted by Emmanuel Vieux in works by R. Strauss, with piano soloist Martha Argerich; Apr 15, 16

EXHIBITIONS

J. Paul Getty Museum
Bressai: The Eye of Paris. Retrospective comprising 140 works, which coincides with the 100th anniversary of the photographer's birth. Dubbed 'the eye of Paris' by Henry Miller, Bressai celebrated the city in photographic series including 'Paris by Night'. Originated in Houston, the show will transfer

to Washington; from Apr 13 to Jul 4

Los Angeles County Museum of Art

Tel: 1-213-857 6000
www.lacma.org
Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch museum's renovation, transferring to LA from Washington. Ranging across the artist's career, the show includes masterpieces such as 'Potato Eaters' (1885) and 'Wheatfield with Crows' (1890); to May 16

MADRID

EXHIBITION
Fundación Juan March
Tel: 34-91-435 4240
www.fundacionjuanmarch.org
Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1978; to Apr 11

Thyssen-Bornemisza Museum

Tel: 34-91-423 944
● Greece: Identity and Transformation. Focusing on the years 1580-1600, this exhibition follows the artist's early apprenticeship in Crete and Italy, in an attempt to shed light on his subsequent 'Spanish transformation'. The 80 works on display include major public and private loans; to May 16, then travelling to Rome and Athens

MONTREAL

EXHIBITION
Montreal Museum of Fine Arts
Tel: 1-514-285 1600
www.museequebec.com
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

MUNICH

CONCERT
Philharmonie Gastspiel
Tel: 49-89-5481 8181
Munich Philharmonic Orchestra: conducted by Yakov Kreizberg in works by Schubert, Mozart and Shostakovich. With piano soloist Mitsuko Uchida; Apr 10, 13, 14

EXHIBITIONS

Reuss der Kunst
Tel: 49-89-211270
● Angelika Kauffman (1741-1807): retrospective of works by the Swiss decorative artist, who was a founder member of London's Royal Academy. Includes paintings, drawings, prints and porcelain; to Apr 16
● Art Across Borders: Classical Modernism from Cézanne to Tinguely and World Art - as seen from Switzerland. Display of the collection made by Swiss recluses Josef and Anni Mooser (1887-1977), which combined European modernism with classical antiquities and pre-Colombian art. Includes works by Cézanne, Kandinsky and Miró; to May 30

NAPLES

EXHIBITION
Museum of Capodimonte
Matteo Preti between Rome, Naples and Malta: first of three special exhibitions marking the 300th anniversary of the death of Matia Preti (1633-1699), the southern Italian painter known as 'Il Cavaliere Calabrese'. The show emphasises the influence of Caravaggio, and includes about 60 paintings and 30 drawings by Preti and his

contemporaries; to Jun 11

NEW YORK

EXHIBITIONS
Guggenheim Museum
Tel: 1-212-423 3500
www.guggenheim.org
● Jim Dine: Walking Memory, 1959-1969. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 16
● Picasso and the War Years 1937-1945: more than 75 works - paintings, sculpture and works on paper - which together explore Picasso's response to the period which began with the Spanish Civil War and ended with the liberation of France. Includes major public and private loans; to May 9

Metropolitan Museum of Art

Tel: 1-212-879 5500
www.metmuseum.org
● 16th Century French Drawings in New York Collection: highlights of a century of collecting, featuring 100 outstanding examples by 59 artists including Watteau, Boucher and Fragonard; to Apr 25
● Masterpieces of Photography from the Gilman Paper Company: 45 of the greatest 19th century photographic works from the collection; to May 23
● Picasso: Painter and Sculptor in Clay. Seen last year at London's Royal Academy, this show brings together 175 ceramic works by Picasso, mostly created between 1947 and 1962; to Jun 6
● The Treasury of Saint Francis at Assisi: around 70 masterpieces of medieval and Renaissance panel painting, gold, textiles and manuscript illuminations, are joined by 30 loans. Includes pivotal works in the development of early Renaissance art; to Jun 27

OPERA

Metropolitan Opera, Lincoln Center
Tel: 1-212-362 6000
www.metopera.org
● Giulio Cesare: by Handel. John Copley's staging returns to the repertory, conducted by John Nelson. With sets by John Pascoe and costumes by Michael Stennett. Cast includes Jennifer Larmore; Apr 10
● Susanna: by Mozart. James Conlon conducts a new staging by Robert Falls, with a cast led by Rende Flemming and Samuel Ramey; Apr 13, 16
● The Queen of Spades: by Tchaikovsky. Conducted by Valery Gergiev in a revival of Eijah Moshinsky's staging, designed by Mark Thompson. The cast is led by Plácido Domingo, Galina Gorchakova and Olga Borodina; Apr 10, 15

New York City Opera, New York State Theater

Tel: 1-212-870 5570
www.nyco.org
● Intermzzo: by R. Strauss. New staging by Leon Major, with sets by Andrew Jackson and costumes by Martha Mann. Conducted by George Manahan; Apr 13, 16
● Madame Butterfly: by Puccini. Conducted by Guido Johannes Rasmussen in a staging by Mark Lamos first seen in November, with sets by Michael Yeager and costumes by Constance Hoffman; Apr 15

THEATRE

Booth Theatre
Tel: 1-212-239 8200
Via Dolores: written and performed by David Hare, directed by Stephen Delory

Brooks Atkinson Theatre

Tel: 1-212-307 4100
The Iceman Cometh: by Eugene O'Neill. Howard Davies directs a cast led by Kevin Spacey

Circle Theatre

Tel: 1-212-239 6200
Not About Nightingales: by Tennessee Williams. Directed by Trevor Nunn in a National Theatre production first seen in London, starring Corin Redgrave

Cart Theatre

Tel: 1-212-239 6200
Marlene: by Pam Gems. Directed by Sean Mathias and starring Sall Phillips

Elbel Barrymore Theatre

Tel: 1-212-239 6200
Amy's View: by David Hare. Directed by Richard Eyre and starring Judi Dench; previews

Greenway Theatre

Tel: 1-212-777 4800
Ashes to Ashes: by Harold Pinter. Karl Reisz directs Lindsay Duncan and David Strathairn

Laurel Pels Theatre

Tel: 1-212-719 9300
The Minors Twins: by Paula Vogel. Black comedy, directed by Joe Mantello. Cast includes Swaine Kuris and Mo'Nique

Minsky Box Theatre

Tel: 1-212-239 6200
Closer: by Patrick Marber. Cast includes Natasha Richardson, Rupert Graves, Anne Friel and Claran Hinds

PARIS

EXHIBITIONS
Grand Palais
Tel: 33-1-4413 1730
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1828-1909). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Pissarro, Monet and Renoir as well as to Van Gogh; to Apr 26, then transferring to New York

Musée d'Orsay

Tel: 33-1-4049 4814
www.musee-orsay.fr
● Edward Burne-Jones: major retrospective of the British pre-Raphaelite painter, which forms the mainstay of the museum's 'season anglaise'; to Jun 6
● Gothic Revival: Architecture and Decorative Arts of Victorian England. Display examining the fascination of mid-19th century artists with medieval art and culture; to Jun 6
● Lewis Carroll: photographs by the author of Alice in Wonderland, of subjects including the young Alexandra Kitchin, and the actress Ellen Terry; to Jun 6

Musée du Louvre

Tel: 33-1-4020 5151
www.louvre.fr
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

OPERA

Opéra National de Paris, Opéra Bastille
Tel: 33-1-4473 1300
www.opera-de-paris.fr
Lucia di Lammermoor: by Donizetti. Conducted by Bruno Campanella in a staging by André Serban and Robert Carzan, with designs by William Dudley; Apr 11, 14

PERUGIA

EXHIBITION
Galleria Nazionale dell' Umbria

Tel: 39-075 574 1247

Beato Angelico and Benozzo Gozzoli: Renaissance Painters. Organised to mark the 500th anniversary of Fra Angelico's death, this show includes missing sections of his Palazzo dei Priori, lent by the Vatican so that the restored polyptych can be seen in its entirety; to Apr 11

ROME

EXHIBITION
Palazzo delle Esposizioni
Tel: 39-06-474 5903
Algarotti: The Other Face of the Baroque. First major exhibition devoted to Bernini's great rival, the Bolognese artist Alessandro Algardi. Includes 65 sculptures in bronze, terracotta, marble and silver, and 47 drawings; to Apr 30

ROTTERDAM

EXHIBITIONS
Kunsthal
Tel: 31-10-440 0300
● Helmut Newton/Alice Springs: Us and Them. Retrospective of the fashion and portrait photographer, whose work is shown alongside that of his wife, Alice Springs (the pseudonym of June Browne). The show comprises 120 works in all, and is mounted as a celebration of their 50th wedding anniversary; to May 9
● Weegee: New York night life in the 1930s and 1940s is featured in the pictures of the American photographer, whose subjects include musicians, strippers, and celebrities; from Apr 10 to Jun 20

ST. LOUIS

EXHIBITION
St. Louis Art Museum
Tel: 1-314-721 0072
Beckmann in Paris: previously seen in Zurich, this show explores the German artist's relationship to the city he settled in. Work by Beckmann is displayed alongside that of French contemporaries; to May 9

STOCKHOLM

EXHIBITION
Moderna Museet
Tel: 46-8-5195 5200
www.modernamuseet.se
Aleksandr Rodchenko (1891-1956): major retrospective of the Russian Constructivist, who was one of the leaders of the post-revolutionary avant-garde; to May 24

TAMPERE

EXHIBITION
Sara Hildén Art Museum
Tel: 358-3-214 3134
www.tampere.fi/hildén
Tony Cragg: sculptures and drawings from the period 1968-1998; to May 9

TOKYO

CONCERTS
Sanjō Hall
Tel: 81-3-3584 9999
Japan Philharmonic Symphony Orchestra: conducted by Kazumasa Yamashita in works by Beethoven, Rodrigo, and Ravel; Apr 11

DANCE

NRK Hall
The Royal Ballet: the British company's tour opens with Swan Lake; Apr 11, 16

TORONTO

OPERA
Canadian Opera Company, Hazeltonbird Centre
Tel: 1-416-363 6671
www.coc.ca
The Golden Age: by Randolph Peters. World premiere. With a libretto by Robertson Davies, based on the ancient fable. The director is Colin Graham and the conductor is Richard Bradshaw; Apr 13, 15

VIENNA

CONCERT
Musikverein
Tel: 43-1-5058 6810
Vienna Radio Symphony Orchestra: Gerd Albrecht conducts works by two composers who died in German concentration camps - Viktor Ullmann and Erwin Schulhoff; Apr 16

EXHIBITIONS

Kunsthaus Wien
Tel: 43-1-712 0495
Jean-Michel Basquiat: Paintings and Works on Paper. 100 works on loan from the Magrat Collection make up the first show in Austria devoted to the black-hispanic US artist; to May 2

Österreichische Galerie Belvedere
America: The New World in 19th Century Painting. Bringing together works from major museums and collections in the US, this show traces the history of the country through the eyes of its painters; to Jun 20

WASHINGTON

CONCERTS
Kennedy Center Concert Hall
Tel: 1-202-467 4800
● National Symphony Orchestra: conducted by Leonard Slatkin with percussion soloist Evelyn Glennie; Apr 10
● National Symphony Orchestra: conducted by Leonard Slatkin with violin soloist Itzhak Perlman; Apr 15

EXHIBITION

National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov
John Singer Sargent: previously seen at the Tate Gallery in London, this show includes more than 100 paintings and watercolours by the American portraitist. Also included are a number of landscapes; to May 31

THEATRE

Studio Theatre
Tel: 1-202-332 3300
The Beauty Queen of Leenane: by Martin McDonagh. Directed by Joy Zimmerman, with a cast led by Nancy Robinette and Myra Carter

ZURICH

EXHIBITION
Kunsthaus Zurich
Tel: 41-1-251 6765
Cragg, Kandinsky, Malevich and the Russian Avant-garde: exhibition exploring the artistic upheavals of the first two decades of this century. Includes important loans from the State Hermitage Museum in St. Petersburg and provincial Russian museums; to Apr 25

Compiled by Susanna Rustin
e-mail: susanna.rustin@ft.com
Additional listings supplied by ArtBase
e-mail: artbase@ft.com

WEEKEND INVESTOR

ONLOOKER PHILIP COGGAN

A case of wishful thinking?

Cutting interest rates was supposed to rein back the pound. It does not seem to have worked



Don't wish too hard; you might just get what you wished for. Industrialists have been urging the Bank of England to cut interest rates for some time as a means of curbing the pound. Yet, after six rate reductions in seven months, sterling is higher, on a trade-weighted basis, than it was at the start of October.

The latest rate reduction from the Bank was a case in point, with sterling ending the London session at 102.6 on a trade-weighted basis, up from 101.9 on the day. And in case you want to point the finger at the European Central Bank, the pound's rise came before the surprise cut in European rates.

Obviously, interest rates are not the sole determinant of currency values: otherwise, the easiest trade in the world would be to sell the Japanese yen, where interest rates are virtually zero, and buy the Russian rouble, where bonds yield around 38 per cent.

Low interest rates have traditionally been associated with strong currencies such as the Swiss franc and D-Mark, whereas the high interest rates endured by Britain reflect sterling's historic weakness. In recent months, the foreign exchange markets seem to have been most interested by growth. If an economy is growing strongly, such as the US, then its assets, particularly equities and property, will be attractive. That draws investors into the currency.

While UK growth has been sluggish, there has been a turnaround in perceptions about the economic outlook thanks, in large measure, to the rate cuts. Recession is seen as far less likely, with a soft landing (a growth slowdown but no fall in output) the most probable scenario. Sterling has seen the benefit.

To add to the fun, the strength of the pound is by itself a reason for the Bank to cut rates further. A strong pound keeps the lid on the

prices of imports and, by squeezing the manufacturing sector, puts the brake on the economy. So, the UK could have entered a virtuous (or vicious) circle in which Bank rate cuts strengthen the pound - which then spurs the Bank to cut rates further.

As always with currency markets, however, there is an extra layer of complexity. The latest quarter of a percentage point rate cut was not accompanied by a statement from the Bank's monetary policy committee. That unusual absence was interpreted by some as a sign that the committee was split over the latest decision. After all, there were plausible reasons - the gain in the oil price, the strength of the housing market - why the Bank might have held rates steady.

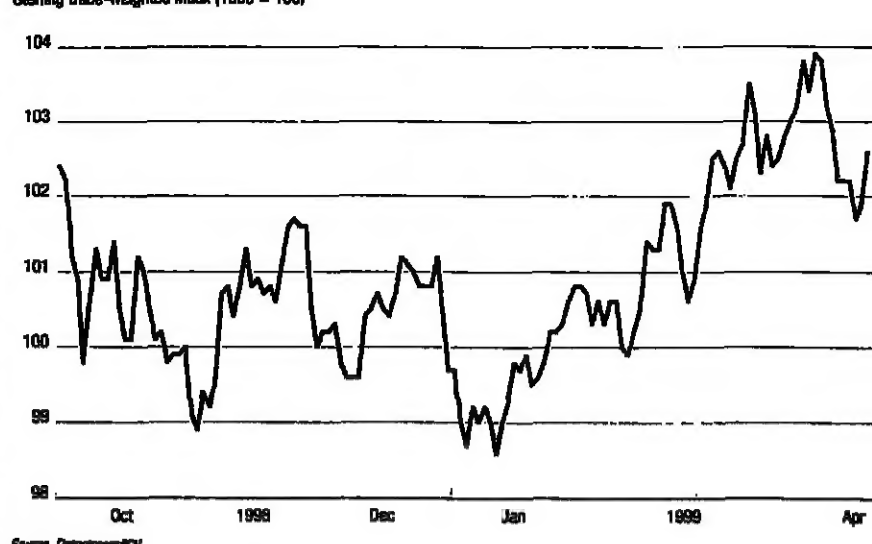
If the committee was split, analysts reasoned, that might mean the era of falling interest rates was drawing to a close. Sure enough, the short sterling future, the market's vehicle for speculation on interest movements, indicated that the prospect of further rate cuts had reduced.

What does all this mean for the equity market? The FTSE 100 index fell on Thursday, when the rate cut had been announced, on profit-taking. But the blue-chip benchmark had already established a series of record highs, peaking at 6,512.1 before closing yesterday at 6,472.8, a fraction of a point short of a new closing peak.

The continued strength of Wall Street obviously has played its part in Footsie's rise, with the Dow Jones Industrial Average establishing itself decisively above the 10,000 level this week. And the ECB's rate cut might revive European bourses, which struggled in the first quarter, as well as giving London a further shot in the arm.

The most immediate threat to the market could

Rates down, pound up
Sterling trade-weighted index (1990 = 100)



Source: Datastream/FT

come from the crisis in Kosovo. The hostilities have been a relatively minor factor in equity markets to date, but the threatening comments from Russian president Boris Yeltsin yesterday did give investors pause for thought. A widened, or prolonged, war would be very bearish news.

Bulls may well be pinning their hopes on that section of the market that has been neglected in recent years - small and medium-sized stocks. While they have done well in the first few months of 1999, the FTSE 250 and SmallCap indices are well short of their all-time highs. The FTSE 250, which ended yesterday's session at 5,563.5, reached 5,966.6 in June last year while the SmallCap, which reached 2,423.3 yesterday, peaked at 2,792.7 in May.

Valuation measures show a stark differential. FTSE 100 companies trade on an historic price-earnings ratio of more than 28 while the SmallCap (ex-investment trusts) index can manage a p/e of only just under 16.

Dresdner Kleinwort Benson says the outperformance of large stocks relative to

smaller ones over the past few years can be justified by fundamental factors, such as profits growth, rather than liquidity issues or the popularity of index-tracking funds. The bank's analysis echoes that of professors Elroy Dimson and Paul Marsh at London Business School. They reported last year that real dividend growth of smaller companies in the 1990s had lagged behind that of larger groups.

In particular, Dresdner points out that the industrial structure of the various indices has played a large part in determining performance: the FTSE 250 and SmallCap indices have been weighted heavily in industrial stocks, but these have been largely absent from the FTSE 100.

Trying to pick the bottom of the market for smaller companies has been a perilous game, as has investing in depressed individual stocks on the hope that they will recover. According to Dresdner, over the past five years, the best tactic has been to buy the stocks with the best relative earnings momentum and historical earnings per share growth. The worst has been to fol-

low the old "value" tactic of buying stocks with low price-to-sales or price-to-asset value ratios.

But there is hope that the tide might be turning for value investors. Dresdner's TOPS100 index of higher-yielding stocks has outperformed the FTSE 100 over both the past month and quarter. Mind you, with dividend yields across the market so low, a stock offering 3 per cent counts as a high-yielder these days.

Any reader who monitors the dividend yield on the market, or the yield ratio that compares bond and equity yields, will have noticed a stark change in the figures this week. The dividend yield on the All-Share dropped suddenly from 2.6 to 2.3 per cent and the yield ratio leapt from 1.8 to 2.

This shift relates to the abolition of advance corporation tax and the disappearance of the tax credit (although private investors will still get some tax benefits from shares held in personal equity plans or individual savings accounts). The changes applied from the start of the new tax year and the FTSE indices no longer quote gross and net yields, simply one "actual" yield.

philip.coggan@ft.com

WALL STREET

At \$479bn, Microsoft leaves the opposition out of sight

The market has placed its trust in Bill Gates, writes John Authers

In BILL, the market trusts. Bill Gates has been America's richest man for a while, and he has been a household name for at least half a decade. Windows computer screens are a part of the domestic landscape just as Microsoft is a familiar dominant shape on the corporate landscape. But although the Microsoft success story is familiar, it is easy to forget that it is still continuing.

The Nasdaq Composite index has returned to form in the past month and hit a new record earlier this week after a nasty correction when it dropped 10.4 per cent in the first two weeks of February. From a low of 2,248.91 on February 17, it battled its way back to 2,578 by mid-session yesterday, a rally of 14.6 per cent. It is up 17.5 per cent for the year.

Microsoft, the world's prime software provider and one of several high-technology companies that opted to stay on the Nasdaq stock market, rather than follow the orthodox and move to the New York Stock Exchange, can take almost all the credit for the rise. For a long time, it battled with Intel, the dominant supplier of silicon chips, to see which could command the higher market value.

As the chart shows, Intel was the larger company, at least as far as the market was concerned, as recently as 1997. But now, the battle seems to be over. Microsoft was valued at yesterday's opening prices at \$479.1bn. Intel, still the second-largest stock on the Nasdaq, is worth \$212.5bn.

The two next largest Nasdaq stocks are Cisco, the dominant provider of the routing technology that makes the Internet function, and Dell, the company that first hit on making computers to order. They are worth \$152.7bn and \$112.1bn respectively. Oracle, the next largest software company after Microsoft, is worth \$96.4bn -



Bill Gates: dominant on the corporate landscape

not even a tenth as much as its dominant competitor.

Once these figures are borne firmly in mind, the Nasdaq resurgence looks a little different. Microsoft's stock, oscillating in response to the latest eddies and currents in the antitrust lawsuit against it, dipped 16.7 per cent during Nasdaq's swoon in early February.

In the six weeks since then, it has moved up by slightly more than 30 per cent as confidence grows that it will avoid drastic restructuring at the hands of the government. To see this kind of share price movement from a company that was already the most valuable in the world is unusual.

Its market value is now so huge that an upward shift in Microsoft is enough to pull up the Nasdaq on its own.

The heavily publicised froth surrounding Internet companies certainly has added a little more growth to the Nasdaq. After a headlong rush and swift fall in the early weeks of January, the biggest e-commerce names

have registered stellar gains. Some of the smallest have pulled off absurd improvements but the best-known Internet players, Yahoo and Amazon.com, set the trend: they have gained 76 and 74 per cent so far this year, respectively. But neither of them is yet worth even a tenth as much as Microsoft.

Is Microsoft worth the valuation? At a price-earnings multiple of 81, no value manager is likely to buy it in the near future. However, this is a lower multiple than either Dell or Cisco, neither of which has quite the lock on its respective markets that Microsoft enjoys.

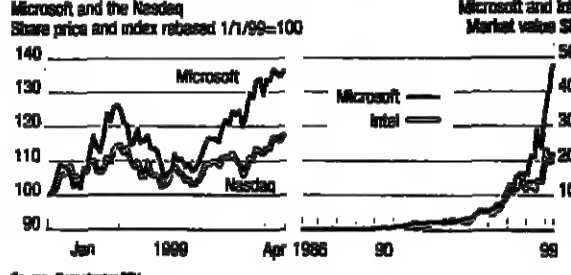
It is not remotely in the same league as e-commerce names. Yahoo!, which beat analysts' earnings forecasts for the first quarter this week, is unusual among e-commerce companies in actually having some earnings. It is trading at a multiple of 1.530.

Using multiples of revenues, Microsoft looks more expensive compared with the high-tech companies with established business models, although it is still cheaper than the "pure" Internet companies. It trades at 3.5 times revenues, compared with a multiple of only eight for Intel and six for Dell, both of which must face a serious price war.

Amazon.com, the biggest Internet retailer, trades at 49 times revenues. It has not made any profits yet, so it has no price-earnings multiple. The market values Yahoo! at a somewhat ludicrous 165 times revenue.

The bubbling Internet stocks rightly attract a lot of attention. But the figure in whom the market has invested the most trust at the moment is Bill Gates.

Windows on the world: as Microsoft goes so does the Nasdaq



Source: Datastream/FT

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THE LONG VIEW BARRY RILEY

Spring's choice cuts

But why are UK interest rates the highest in the developed world?

Autumnal gloom has turned to springtime cheer. The turnaround in optimism about the UK economy has been remarkable, even before this week's cut in the Bank of England's repo rate to 5.25 per cent.

The improvement in sentiment is reflected in the stock market, where the second quarter has begun in surprisingly vigorous mood. There is talk of a renewed boom in the housing market and the retailers have stopped complaining. Only manufacturers still grumble.

Was all that general pessimism ever really justified? Perhaps we should blame the proliferation of business opinion surveys and their growing influence upon the decision makers, especially the Bank's monetary policy committee (MPC).

The popularity of surveys might reflect increasing doubts about the quality of official statistics. Last year, the average earnings data were withdrawn temporarily so that the methodology could be tweaked. There are concerns, too, about whether the national income data track the rapidly changing economy properly.

We must be very careful about opinion surveys because they are vulnerable to Goodhart's Law, the rule - devised to explain money supply distortions in the 1970s - that once economic data are used to determine policy, it becomes mislead-

ing. Since Charles Goodhart is a member of the MPC, he should know all about it.

It works like this. In a vacuum, and guaranteed anonymity, a businessman might express his genuine opinion. But suppose he has reason to believe that, if he expresses optimism, interest rates will go up; and that, if he is pessimistic, the opposite? He might be tempted to pile on the misery.

Equally important might be the spin imparted to the basic data by industry spokesmen. Their suggested high street disaster last autumn and over Christmas was barely reflected in the official figures for aggregate retail sales (although Marks and Spencer certainly had a tough time).

It is less easy, though, to explain away the extreme slump in confidence expressed in the Confederation of British Industry's industrial trends survey last autumn. This poll has a distinguished record going back to the 1970s and predicted accurately the recessions of the early 1980s and 1990s. But manufacturing has a fading role in the UK economy: it now seems the 1999 recession will not happen, and the consensus forecast for economic growth this year is starting to be edged up, although it is still below 1 per cent.

In the City of London, confidence is improving rapidly: the Merrill Lynch Gallup

poll of fund managers found the percentage expecting an economic improvement jumped from 13 in January to 67 in March. Even CBI opinion has bounced sharply off the bottom, although it remains negative overall.

Three main reasons explain the deepness of last year's fourth-quarter gloom. The global financial crisis damaged the confidence of businessmen and consumers, although the markets have now recovered fully. Family budgets were hit by an unexpected surge of income tax, so that real personal disposable income failed to grow at all: this year, however, it will rise by perhaps 3.5 per cent.

Finally, manufacturers were affected badly by a slump in exports, especially to Asia. The news here is not so good. Although many Asian economies have begun a modest recovery, Japan is still in decline and Brazil has led South America into recession while in Europe Germany is barely growing.

So, it is down once again to the rampant US economy to sustain global economic growth - even at the mere 2 per cent it reached in 1998, down from the 4 per cent more typical of recent years. A US slowdown is forecast, but it was last year, and the year before that. First-quarter GDP growth in the US seems likely to run at more than 3 per cent.

The global stimulus is

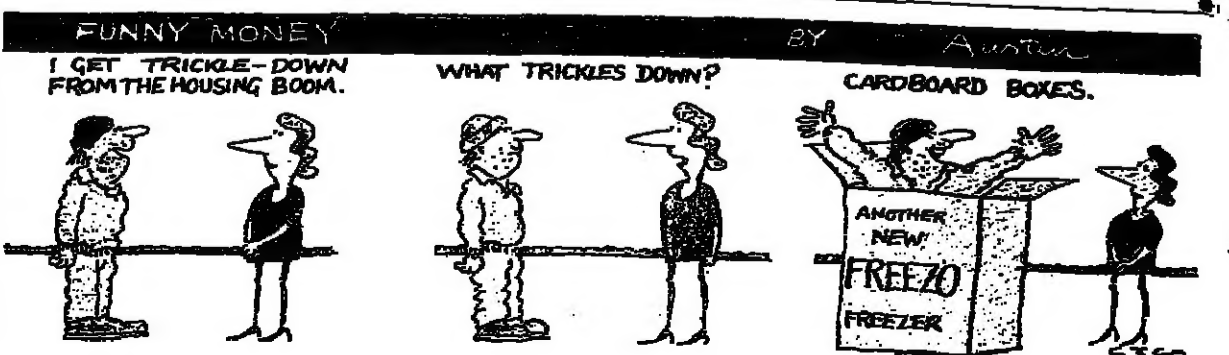
coming from cheaper money. Japanese short-term rates are, effectively, at zero and US rates have stayed down at last autumn's lower levels in spite of the economic boom (although the US Federal Reserve might regret, in retrospect, the third cut on November 17).

Now, European rates are falling, too. The Bank of England cut on Thursday and was followed a few hours later by the European Central Bank, which reduced its rate to 2.5 per cent - in belated celebration, perhaps, of last month's departure of the German finance minister, Oskar Lafontaine.

Perversely, sterling strengthened after the cut, on the topsy-turvy argument that faster growth would make the currency more valuable. Yet, the change still leaves the Bank running the developed world's highest interest rates.

Why this should be so was illuminated by the dog-in-the-manger attitude of the leading mortgage banks, which decided to restrict the latest cut because it would erode their high street lending margins. The sacrifice of UK manufacturing industry on the altar of the sacred housing market continues, but not for long.

Abbey National and the rest had better wake up: UK rates, too, may head for 2.5 per cent, or something near it, one springtime quite soon.



هناك من الاصل

METROPOLIS

Modernism comes to a head

Islam, feminism, the army, government and families are all having their say over an item of female Turkish dress. Leyla Boulton reports

"Why are those ladies wearing hoods?" asked Alexandra, my three-year-old daughter, putting her finger on the touchiest question in Turkey today. She was referring to Turkish women who wear scarves - Islamic-style - over their hair and part of their foreheads.

The subject is so sensitive that the armed forces have intervened over the past two years to enforce an official ban on headscarves in state universities and offices. Thousands have rallied in the streets, and some have even lost jobs, in defence of the right to wear them.

The increased use of the Islamic headscarf - *turban* in Turkish - in a country proud of its western-oriented, secular image, is the only area of open conflict between the religious Virtue party, the biggest group in parliament, and the political establishment, as the country approaches general and local elections next week.

"It is the most divisive issue in Turkish society in both a symbolic and a real sense," says Nilüfer Göle, a sociologist at Istanbul's elite Bosphorus University.

This apparently trivial matter has become so explosive because it is the most visible challenge to everything Turkey has stood for in the 75 years since it was salvaged as a secular republic from the ruins of the Ottoman Empire.

Mustafa Kemal Atatürk, the soldier-turned-statesman who founded the republic, saved the country from dismemberment by advanced western states only to adopt their alphabet, principles, and dress.

The man revered as "Father of the Turks" gave the country secular government, separating Islam from the judiciary and politics, and giving women equal status with men. His aim was to transform his country from "Sick Man of Europe" into a leading western nation in its own right.

As a result of his efforts, Turkish women in headscarves today stand out in big cities that have more in common with the elegance of Milan or Madrid than the veiled dourness of many Middle Eastern capitals.

Turkish newspapers carry revealing pictures of models, while late-night television advertises bras which can be pumped up to increase their wearers' apparent cup-size. Turkey has already had its first female prime minister, while Turkish companies are

full of highly educated, modern women.

"As a symbol, the headscarf is very provocative. Here is a modern state giving women freedom and they go back to a practice abandoned by their forebears," says Nilüfer Kuyas, a feminist and journalist. She says the main message of the headscarf is: "I'm not available. I'm the kind of woman you have to respect and can't approach sexually."

Many women say they wear headscarves out of religious conviction. "It's about how you find your inner peace," maintains Merve Kavakci, a US-educated software engineer who is a parliamentary candidate for Virtue in Istanbul, Turkey's biggest city. "This is a personal thing between me and my God. I believe my religion requires it."

Wearing a white headscarf and blue trouser suit with naval-type gold on her cuffs, the 30-year-old divorcee complains that "people are talking about going to Mars and living there" while Turkey is bogged down in a debate about headscarves.

Ebru Rende, a 26-year-old television producer, donned a headscarf four years ago.

"I used to be a naughty girl going to discos and bars with friends," she says. "But after a time I got bored and thought this is not the purpose of life. I started praying and fasting and after that I started to use a headscarf."

Since then, she has enjoyed no longer being "viewed as a sexual object in the presence of men. I do not feel equal to men," she says. "I feel more valuable because precious objects are

still far from won. About a third of women, mostly living in the countryside or in urban slums, cannot read. In the backward south-eastern part of the country, many women are forced to have at least six children by men and mothers-in-law who will not allow them to use contraception. Some have been killed by their own families for eloping rather than accepting their family's choice of husband.

Even in big cities, there is little official protection for women from domestic violence. Social prejudice is widespread against divorced and single mothers, or women who lose their virginity before marriage. The current parliament has the smallest proportion of women deputies in western Europe and a significant increase is not expected after the elections, given the paucity of female candidates fielded by political parties.

Göle, whose book on headscarves was born "out of her bewilderment" over the gap between their wearers and westernised women such as herself, describes the phenomenon with rare optimism as "a second wave of modernisation".

She found many headscarf wearers were young women who were allowed by their families to go to university provided they covered their heads.

Most of the Turkish elite have yet to be convinced by such arguments. In an effort to please all voters, most secular parties are vague about how far the ban on headscarves in official places should be enforced.

A divorcee complains that 'people are talking about living on Mars' while Turkey is bogged down in a debate about headscarves

always under lock and key."

But she also concedes that the practice conveys an image of submission to fathers and husbands, who often require women to cover their heads when they go out. "Being a woman is not easy in Turkey if you don't come from a privileged background," says Kuyas. "The headscarf business is the last stage of male power. These Islamists will never let go because women's liberation is the ultimate threat to them."

The practice and its symbolism worry many advocates of women's rights at a time when the battle for equality with men in Turkey

Virtue, however, presents the headscarf ban as a violation of Turkey's democratic rights, with far more popular effect than complaining about relatively abstract problems such as political prisoners and the need for judicial reform. "In your countries, people are allowed to wear what they want," Istanbul taxi drivers who support Virtue like to tell western visitors. But as Ümit Boyner, a woman and the chief financial officer of Boyner, a big retail group, points out: "It's not as simple as that."

"It's a really grey issue. As a democrat, it would defy my belief not to let someone go

glorious."

In fact, nowhere does the Koran say women have to wear headscarves, or the ankle-length coats and skirts that usually go with them. "They shall not reveal any parts of their bodies, except that which is necessary," says the Koran, specifying only that women "shall cover their chests" and "not strike their feet when they walk in order to shake and reveal certain parts of their bodies".

Like many educated Turks, Nur Serter, vice-rector at Istanbul University, believes the use of headscarves has mushroomed in big cities since the late 1980s

as part of efforts by neighbouring Iran to export Islamic revolution to Turkey.

"It is a flag of Islamic fundamentalism," she says, asserting that many students in headscarves were given scholarships by Islamist groups to help pave the way for the reintroduction to Turkey of Islamic law.

Elegantly clad in a red and black suit, Serter passionately defends the headscarf ban, which her university, Turkey's biggest and oldest, enforces scrupulously. "People say you should have the right in a democracy to wear anything you want. But the Islamic fundamentalist state is very undemocratic and in order to preserve democracy, certain prohibitions are necessary. Turkey for the last 10 years has been fighting for its democracy."

Since September, girls who have turned up in headscarves have been invited for a chat over tea and biscuits with two female academics who have convinced most to uncover their heads upon entering the campus. The rest have given up their hard-won university places.

Serter, educated at an American girls' school in Istanbul, concedes that many women wear headscarves for

more innocent reasons - some fathers insist on it as a condition for attending university. But she says it would be impossible in practical terms to allow some women to wear headscarves and others not.

A minority of secularists take a more relaxed view. Göle argues that headscarves are simply a reaction against Turkey's suppression of its Moslem heritage in building a modern state. "This represents the normalisation of our Moslem identity because it was totally excluded from our modern identity," says Göle. "It poses the question: can we be modern without being western?"

Sitki Zilan, the deputy chief of the Virtue party in Diyarbakir, the biggest city in south-eastern Turkey, suggests the answer to that question does not have to be yes. He says Turkey wants to be civilised, but does not need all the accoutrements of modern life - such as freedom from headscarves. "Civilisation is different from modernity. It is good to have both, but civilisation is more important. We want to be civilised. This means sharing everything fairly."

The outcome of next week's elections is likely to show whether support for the Islamists, triggered by

economic inequality as well as by cultural factors, has weakened since Virtue's predecessor, Welfare, won 21 per cent of the vote in the 1995 elections. While Virtue has tried to modernise its image, the secularist establishment has become more sensitive to worsening income distribution and extended compulsory education from five to eight years.

But, across party lines, many Turks agree on one point. The appeal of headscarves as a symbol of defiance has increased as a result of the exploitation of the issue by politicians and intervention of the military, who see themselves as the ultimate guardians of Atatürk's secular legacy. It was the armed forces who, after forcing a Welfare-led coalition out of office in 1997, pressed the politicians to

enforce a ban on headscarves dating from 1982. "This is a completely unnecessary issue," says Hatice Keşkin, the female director of an agricultural machinery plant in Konya, Turkey's most religious city. A senior Turkish official argues that the authorities' approach to the problem runs counter to human psychology in that "the more you ban something, the more people want it".

Kubra, a lively 17-year-old in a headscarf who wants to go to university in September, thinks she has found her own solution to the problem gripping Turkey. She plans to wear a wig - a purple one - to make clear to all that it is an alternative form of head-covering.

*The *Forbidden Modern*. University of Michigan Press, 1996.



ARCADIA

Rabbits don't give the farmer his fun, fun, fun

They are a pest. And, says Sylvia Wood, they continue to outwit squeamish gunmen

While farmers seek to increase production using every possible method, one relatively disease-free, organically produced, wild creature with low-fat meat continues to grow in number.

Yet the rabbit, which contributed significantly to Britain's war effort by providing many a rural family with meat, is under attack. Ministry of Agriculture figures suggest rabbits are causing about \$40m worth of damage a year to cereals, and serious damage to other crops, grassland, market gardens and young trees as well as ground damage by scratching and burrowing.

The defences are in place: all of England and Wales with the exception of the City of London, the Isles of Scilly and Skokholm Island - is officially a Rabbit Clearance Area under the Pests Act 1954. The order has been in force since 1972. But still the rabbit population grows, having recovered naturally from myxomatosis,

the highly contagious viral disease that cut a swathe through the rabbit population in the 1950s. So how does the rabbit continue to outwit man?

A few weeks ago I called on a farmer friend. He was looking somewhat stubborn, a tendency among farmers. I asked him what was wrong.

"Rabbits," he said. "My neighbour says something has got to be done about the rabbits."

"It's easy enough," I said. "You just shoot them. Well, you as landowner can organise things properly, authorise the shooting in writing, tell the shooters when they can shoot and in what direction..."

I hesitated as an image from my childhood of a local vicar's wife leaning out of an upstairs window with a shotgun and taking pot shots at rabbits came to mind. "You don't know what these people are like," he interrupted. "They're wild and you can't control them. And you are too young to

remember the war."

"What - when one bomb was dropped about 40 miles away over 50 years ago? Don't be so daft."

"It's given me a phobia about guns... And anyway, rabbits keep other things away."

"What other things?"

"Rats."

A thick white furry animal with pink eyes was hanging docilely from the strong grip of one young man. In the other hand he held a gun

"How?"

"I don't know, they just do."

I shivered at another memory of a time he had told me about, when the rats had come out of the field at harvest time in their hundreds and had run along the window ledges of the house.

"What about fencing?" A hollow laugh was the answer. "Do you know how much it costs?" Then: "You

asked innocently."

"Well, I know some chaps with ferrets."

"If you can arrange a time, that will be fine," I said smoothly.

"Oh, you can't pin these types down to a time," came the shocked reply.

I was at lunch a few days later with one of the county grandees. I asked if he knew of any ways of dealing with rabbits. "Oh, I prefer gas-

sing," he said airily.

"You just stick some powder on a spoon on the end of a long stick, wedge a piece of turf grass face down in the entrance to the burrow and that's all there is to it!" An image of a silver monogrammed spoon of poison engraved itself on my mind. "Of course, you can't then eat them," he added.

"Simple," I said. But my friend had already arranged for men and ferrets to come and had managed to pin them down to a time. Sunday.

Steeling myself, I went to see what was happening. A thick white furry animal with pink eyes was hanging docilely from the strong grip of one young man. In the other hand he held a gun. From the legings of the other young man protruded another ferret.

Suddenly there was a loud bang. In the moment the ferrets had been introduced into the burrow, out had scurried a rabbit and a shot had been fired. How the fer-

rets escape being shot I am not too sure. By the end of the afternoon 15 little bodies lay in a heap.

"May I buy one for the pot?" I said entering pragmatically into the spirit of the day.

"You may not, I shall give it to you," said the young man with chivalrous grace. "and would you like me to paunch it for you, too?"

When we cooked it I felt a slight quiver at the rabbit's perfection but at the end of the meal my friend, with satisfaction at the empty plate before him, announced that rabbit is the only meat to which he is not allergic.

"The only rabbit I've eaten before was imported from China," I replied.

Walking along the lane a week or so later, a mangy-looking rabbit hopped slowly and blindly across the road in front of us.

"That's myxomatosis back," said my friend. Nature in all its cruelty may yet again achieve what man cannot.

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